

# Senate Briefly

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*Senators escort the governor into the House Chamber for the State of the State address on Thurs., Jan. 4. Photo by David J. Oakes*



January 5, 2001

# Senate Highlights

## Senate organizes for new session

Lt. Governor Mae Shrunck presided over the inauguration of the 2001 Legislative Session on Wed., Jan. 3. While the first meeting of the session celebrated new membership, it was also a time for discussing rules and procedures to govern the upcoming legislative process—and for demonstrating new alliances. Beginning with a welcome address to incoming freshmen Senators, Minority Leader Sen. Dick Day (R-Owatonna) called the roll as each Senator presented certificates of election. All of the new Senators then took the oath of office.

Two Senators were nominated for the office of President of the Senate, including Sen. Don Samuelson (DFL-Brainerd), a 31-year legislative veteran and Sen. Gen Olson (R-Minnestricta), now serving her sixth term. Samuelson was elected by a vote of 40 to 26. After being sworn into office by District Court Judge, the Honorable David J. Ten Eyck, Samuelson addressed the Senate and promised “to be fair and impartial” in conducting his office and to “respect the citizens who place their trust in us.”

Senate Majority Leader Roger Moe (DFL-Erskine) led off the election of officers by nominating Patrick E. Flahaven

as Secretary of the Senate. Following a unanimous vote of approval, the Secretary-elect took the oath of office. Moe moved to elect all of the other elected officers on one roll call, including Patrice Dworak for First Assistant Secretary, Colleen Pacheco for Second Assistant Secretary, Catherine Morrison for Engrossing Secretary, Sven Lindquist for Sergeant-at-Arms, Roger Moening for Assistant Sergeant-at-Arms and Dr. Paul Dovre for Chaplain. The entire roster of nominees was approved.

Senators Moe and Day introduced 10 resolutions, the first of which named themselves Majority and Minority leadership. The second resolution, Senate Resolution No. 2 (SR2), called for the adoption of temporary rules from the 81<sup>st</sup> session to be adopted as the temporary rules for the 82<sup>nd</sup> session. Sen. Pat Pariseau (R-Farmington) presented an amendment to the resolution that changed the process for the introduction of bills by allowing more than five authors on a bill.

Pariseau said the amendment would help to save time in the preparation and printing of documents. Moe recommended that the amendment be discussed in the Subcommittee on Permanent and Joint Rules of the Committee on Rules and Administration. The amendment was not

adopted.

Sen. John Marty (DFL-Roseville) proposed an amendment to SR2 that would consider a member’s term complete if that member resigned or was suspended from a chair position as a result of punishment by the Senate. Moe recommended that the amendment not be adopted and that it also be considered by the aforementioned subcommittee. Marty replied that he was concerned that the rules process would take too long and added that he wanted immediate action on the issue. He then referred to an incident of five years ago, at which time a member was punished by the Senate (by relinquishment of his chair), as a result of being cited for a criminal offense. Marty said he objected to the Senate requiring just one year of punishment, then “turning it into a reward” by allowing that member to return as chair. Moe said “I think it’s unfortunate that we’re revisiting the past in this way.” He added that the Senator in question had voluntarily resigned, had already been punished and had judiciously served his committee for five terms. Members voted 11 to 53 against adopting the amendment.

Sen. Sheila Kiscaden (R-Rochester) offered an amendment to SR2 that would make a single finance committee responsible and accountable for the budget. Currently, the Senate committee structure provides that bills developed by the K-12 Education Budget Division and the Higher Education Budget Division be heard by the Education Committee. Moe again suggested that the amendment should first be considered in the Subcommittee on Permanent and Joint Rules. Kiscaden said she would like to be guided by permanent rules rather than temporary ones—and added that she feared the issue would not come up again for another two years unless dealt with now. The amendment did not prevail.

Another amendment to SR2 was offered by Sen. Thomas Neville (R-Northfield). He proposed to insert language that would require a deadline of March 15 of each odd-numbered year in which to adopt a budget resolution setting the maximum limit on revenues and expenditures from the general fund for the next biennium. The amendment requires that a cash flow account be set aside for the budgeted amounts and would set a maximum limit on revenue changes and appropriations in each of the omnibus tax and appropriations bills. Moe said he did

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not object to the amendment for the same reasons he objected to the other amendments, but that he opposed the idea “that we ramrod things through by March 15.” The amendment was not adopted following a 26 to 39 roll-call vote.

Kiscaden followed with an amendment to set permanent rules of the Senate by March 31, in order to establish a commitment to time lines. The amendment was laid on the table and did not prevail when considered later.

Senators Moe and Day introduced Senate Concurrent Resolution No. 1, which was adopted to establish temporary joint rules for the 82<sup>nd</sup> session, and Senate Resolution No. 3 (SR3) to establish the structure of standing committees. Expressing his concern about committee membership, Sen. Dan Stevens (R-Mora) said “Today, I’m not seeing balance.” Stevens said he did not believe all the members of the Committee on Environment and Natural Resources, for example, were best qualified to address issues related to agriculture and Greater Minnesota. Moe responded by saying he hoped “this rhetoric (in reference to naming members and questioning their competence) is not a precursor to what this Session will be like,” and defended the fairness and integrity of the committee’s membership. Moe said there were 18 members on the committee: 9 from Greater Minnesota and 9 from the Metro Area, adding, “It seems to me that is pretty good balance.”

Another amendment to SR3 was presented by Sen. Charles Berg (R-Chokio) to address the makeup of the Committee on Rules and Administration. The amendment increased committee membership from 23 to 24 and added Sen. Bob Lessard (Independence-Int’l. Falls). Berg said the amendment addressed a seniority issue because it was wrong, he said, to remove a senior member (Lessard) from the list. Berg also suggested that Lessard’s decision to change party affiliation from DFL to Independent may have influenced his standing on the committee. Moe urged rejection of the amendment on the basis that the Rules and Administration Committee utilized varied criteria, which does not relate to seniority, when selecting committee membership. Moe reminded members that Lessard is a freshman member of his caucus. Berg’s amendment was not adopted. Senate Resolution No. 3 was adopted along with the remaining resolutions addressing rules

and procedures.

### Opening resolutions considered

As a prelude to the formal opening of the 82<sup>nd</sup> Legislative Session, the Senate Rules and Administration Committee met Weds., Jan. 3, to approve a number of resolutions relating to the organization and operation of the Senate. The panel, chaired by Sen. Roger Moe (DFL-Erskine), normally routinely adopts the resolutions. However, this session’s first committee hearing was marked by debate over the adoption of temporary rules.

Specifically, a proposed clarification of the committee chair term limits was a primary area of contention. The new language specifies that a committee chair may not serve for more than two complete and consecutive Senate terms. Sen. John Marty (DFL-Roseville) said that the clarification opens a loop-hole whereby a member could resign as chair for just a few days and, thus, not be chair for a complete term and be eligible for serving as chair of the same committee at the beginning of the next term. Moe said that the language simply clarifies the intent of the Rule. Marty, however, offered an amendment to delete the language referring to complete terms and indicated that if the amendment prevailed he would offer language specifying that a member appointed after the middle point of a term does not have that term counted as part of the two term limit. The motion to delete the complete term language was defeated on a voice vote.

Several other members raised questions about the proposed temporary rules. Sen. Pat Pariseau (R-Farmington) offered an amendment to delete the limit of five authors on a bill. Moe spoke against the amendment and said that it is unclear what the ramifications of the amendment could be on the mechanics of bill processing. The amendment was defeated. Moe said that proposals for amending the Senate Rules, such as the unlimited number of authors, should be reviewed by the Subcommittee on Permanent and Joint Rules. Sen. John Hottinger (DFL-Mankato), chair of the subcommittee pledged a thorough consideration of all proposed amendments.

Members also set aside changes to the employee roster, recommended by the Personnel Subcommittee, in order to allow for further clarification of employee job classifications.

A number of resolutions were adopted by the panel. Members adopted resolutions naming Moe the Senate Majority Leader, naming Sen. Dick Day (R-Owatonna) as Minority Leader and setting the names of committees and committee membership. Sen. Charles Berg (R-Chokio) offered an amendment to add the name of Sen. Bob Lessard (IND-Int’l. Falls) to the Rules and Administration Committee. The amendment was defeated.

Other, more routine, resolutions were adopted to authorize postage, authorize payment of expenses for interns, adopt temporary joint rules, authorize parking, name a president pro tem, and notify the House of Representatives and the governor that the Senate is organized.

The last item of business involved the adoption of the subcommittee report offered by the Subcommittee on Litigation Costs. The panel recommended payment of litigation expenses incurred by Sen. Edward Oliver (R-Deephaven) defending against a claim brought by an opponent in the 1996 general election. The report was adopted unanimously by members of the full committee.

### Senators attend State of the State

Senators met for a brief floor session Thurs., Jan. 4, in order to process bill introductions before recessing to attend the State of the State Address delivered by Gov. Jesse Ventura.

In the address, Ventura called for what he said were “bold reforms” in the tax system, telecommunications, education and government. Ventura said, “Things around us—the economy, health care, communications—are changing at a rapid pace, and government policy must change accordingly.” Further, he said, “Today I am bringing you the Ventura Administration’s agenda for that change: Bold changes for a new economy and a new way of life in Minnesota.”

Ventura said that the property tax needs to be reformed so it is smaller, simpler, fairer and more truly a local tax. He added that he was proposing that the state take over the full costs of the K-12 general education formula and eliminate the state-mandated general education levy by local school districts. That, combined with other proposed changes to the property tax system, will result in net property tax relief of over \$800 million annually to all types of property across the state.

# Committee Roster

## Agriculture, General Legislation and Veterans Affairs Committee

**Chair:** Murphy      **Vice Chair:** Ring  
**Office:** 306 Capitol      **Phone:** (651) 296-7405  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 12

Berg	Fischbach	Lourey	Vickerman
Dille	Johnson, D.E.	Sams	
Fowler	Lesewski	Scheevel	

## Capital Investment Committee

**Chair:** Langseth      **Vice Chair:** Wiger  
**Office:** 122 Capitol      **Phone:** (651) 296-9612  
**Meets:** Tues., Thurs., 1 - 3:45 p.m., 123 Capitol  
**Members:** 13

Bachmann	Dille	Kiscaden	Samuelson
Berglin	Johnson, Douglas	Larson	Wiener
Cohen	Kierlin	Price	

## Commerce Committee

**Chair:** Solon      **Vice Chair:** Scheid  
**Office:** 303 Capitol      **Phone:** (651) 296-5776  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 112 Capitol  
**Members:** 14

Belanger	Larson	Metzen	Reiter
Hottinger	Lessard	Oliver	Samuelson
Kierlin	Marty	Pappas	Wiener

## Crime Prevention Committee

**Chair:** Ranum      **Vice Chair:** Foley  
**Office:** 120 Capitol      **Phone:** (651) 296-4842  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 15 Capitol  
**Members:** 12

Berglin	Kelly, R.C.	Limmer	Schwab
Betzold	Kleis	Olson	
Chaudhary	Krentz	Neuville	

## Education Committee

**Chair:** Pappas      **Vice Chair:** Lourey  
**Office:** 120 Capitol      **Phone:** (651) 296-5538  
**Meets:** Mon., Weds., 1 - 3:45 p.m., 123 Capitol  
**Members:** 35

Bachmann	Knutson	Pogemiller	Scheid
Chaudhary	Krentz	Price	Schwab
Cohen	Langseth	Ranum	Solon
Fowler	Larson	Rest	Stumpf
Johnson, Debbie	Lesewski	Robertson	Terwilliger
Kelley, S.P.	Limmer	Robling	Tomassoni
Kierlin	Murphy	Sabo	Wiener
Kinkel	Olson	Scheevel	Wiger
Kleis			

## E-12 Education Budget Division

**Chair:** Stumpf      **Vice Chair:** Rest  
**Office:** G-24 Capitol      **Phone:** (651) 296-8660  
**Meets:** Mon., Weds., 1 - 3: 45 p.m. Room 112 Capitol  
**Members:** 18

Bachmann	Knutson	Pappas	Scheevel
Chaudhary	Langseth	Ranum	Schwab
Johnson, Debbie	Lourey	Robertson	Tomassoni
Krentz	Olson	Sabo	Wiger

## Higher Education Budget Division

**Chair:** Wiener      **Vice Chair:** Kinkel  
**Office:** 303 Capitol      **Phone:** (651) 296-8073  
**Meets:** Mon., Weds., 1 - 3:45 p.m. Room 107 Capitol  
**Members:** 17

Cohen	Kleis	Murphy	Scheid
Fowler	Larson	Pogemiller	Solon
Kelley, S.P.	Lesewski	Price	Terwilliger
Kierlin	Limmer	Robling	

## Environment and Natural Resources Committee

**Chair:** Krentz      **Vice Chair:** Tomassoni  
**Office:** 111 Capitol      **Phone:** (651) 296-1113  
**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 18

Anderson	Higgins	Olson	Ring
Berg	Kinkel	Pariseau	Stevens
Dille	Knutson	Pogemiller	Stumpf
Frederickson	Lessard	Price	Vickerman

## Finance Committee

**Chair:** Johnson, Douglas      **Vice Chair:** Johnson, D.H.  
**Office:** 205 Capitol      **Phone:** (651) 296-4839  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 123 Capitol  
**Members:** 37

Anderson	Johnson, D.E.	Metzen	Sabo
Berg	Kelly, R.C.	Neuville	Sams
Berglin	Kiscaden	Ourada	Solon
Chaudhary	Kleis	Pariseau	Stevens
Cohen	Knutson	Price	Terwilliger
Day	Krentz	Ranum	Vickerman
Dille	Langseth	Ring	Wiener
Frederickson	Larson	Robertson	Wiger
Higgins	Lourey	Robling	

## Environment and Agriculture Budget Division

**Chair:** Price  
**Office:** 235 Capitol      **Phone:** (651) 296-4167  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 318 Capitol  
**Members:** 10

Berg	Higgins	Pariseau
Dille	Johnson, Douglas	Ring
Frederickson	Krentz	Wiger

## Health, Human Services and Corrections Budget Division

**Chair:** Berglin  
**Office:** 309 Capitol      **Phone:** (651) 296-4151  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 123 Capitol  
**Members:** 8

Kiscaden	Ranum	Wiener
Lourey	Sams	
Neuville	Stevens	

## State Government, Economic Development and the Judiciary Budget Division

**Chair:** Cohen  
**Office:** 317 Capitol      **Phone:** (651) 296-5308  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 107 Capitol  
**Members:** 10

Anderson	Knutson	Robertson
Johnson, D.H.	Larson	Solon
Kleis	Metzen	Vickerman

**Transportation and Public Safety Budget Division**

**Chair:** Johnson, D.E.  
**Office:** 124 Capitol **Phone:** (651) 296-1738  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 112 Capitol  
**Members:** 9

Chaudhary Kelly, R.C. Ourada Sabo  
Day Langseth Robling Terwilliger

**Health and Family Security Committee**

**Chair:** Sams **Vice Chair:** Higgins  
**Office:** 328 Capitol **Phone:** (651) 296-1323  
**Meets:** Mon., Weds., 1 - 3:45 p.m., 15 Capitol  
**Members:** 11

Berglin Hottinger Pariseau  
Fischbach Kiscaden Ring  
Foley Lourey Stevens

**Jobs, Housing and Community Development Committee**

**Chair:** Anderson **Vice Chair:** Sabo  
**Office:** 120 Capitol **Phone:** (651) 296-1767  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 123 Capitol  
**Members:** 14

Bachmann Johnson, D.H. Knutson Robertson  
Frederickson Johnson, Debbie Moe, R.D. Terwilliger  
Higgins Johnson, Douglas Orfield Wiger

**Judiciary Committee**

**Chair:** Marty **Vice Chair:** Foley  
**Office:** 325 Capitol **Phone:** (651) 296-5712  
**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 15 Capitol  
**Members:** 10

Betzold Fischbach Limmer Orfield  
Cohen Kiscaden Neuville Ranum

**Rules and Administration Committee**

**Chair:** Moe, R.D. **Vice Chair:** Hottinger  
**Office:** 208 Capitol **Phone:** 296-2577  
**Meets:** On call (Mon., 8 a.m. - 12 noon; Fri., 1 - 3:45 p.m.), 107 Capitol  
**Members:** 23

Belanger Johnson, D.E. Olson Solon  
Berg Johnson, Douglas Pappas Stumpf  
Berglin Langseth Pariseau Vickerman  
Cohen Larson Pogemiller  
Day Marty Ranum  
Frederickson Metzen Samuelson

**State and Local Government Operations Committee**

**Chair:** Vickerman **Vice Chair:** Orfield  
**Office:** 226 Capitol **Phone:** (651) 296-4150  
**Meets:** Tues., Thurs., 1 - 3:45 p.m., 107 Capitol  
**Members:** 13

Betzold Pogemiller Robertson Stevens  
Day Reiter Robling Stumpf  
Fowler Rest Solon

**Tax Committee**

**Chair:** Pogemiller **Vice Chair:** Fowler  
**Office:** 235 Capitol **Phone:** (651) 296-7809  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 15 Capitol  
**Members:** 30

Bachmann Kelley, S.P. Moe, R.D. Rest  
Belanger Kierlin Murphy Samuelson  
Betzold Kinkel Oliver Scheevel  
Fischbach Lesewski Olson Scheid  
Foley Lessard Orfield Schwab  
Hottinger Limmer Pappas Stumpf  
Johnson, Debbie Marty Reiter Tomassoni

**Income and Sales Tax Budget Division**

**Chair:** Betzold  
**Office:** G-9 Capitol **Phone:** (651) 296-4147  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 125 Capitol  
**Members:** 13

Fowler Kinkel Marty Reiter  
Fischbach Lessard Murphy Schwab  
Kierlin Limmer Orfield Tomassoni

**Property Tax Budget Division**

**Chair:** Samuelson  
**Office:** 120 Capitol **Phone:** (651) 296-4875  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 15 Capitol  
**Members:** 17

Bachmann Johnson, Debbie Oliver Rest  
Belanger Kelley, S.P. Olson Scheevel  
Foley Lesewski Pappas Scheid  
Hottinger Moe, R.D. Pogemiller Stumpf

**Telecommunications, Energy and Utilities Committee**

**Chair:** Metzen **Vice Chair:** Kelley, S.P.  
**Office:** 322 Capitol **Phone:** (651) 296-4175  
**Meets:** Tues., Thurs., 1 - 3:45 p.m., 15 Capitol  
**Members:** 16

Anderson Kinkel Oliver Scheevel  
Frederickson Lesewski Ourada Tomassoni  
Johnson, D.H. Lessard Pariseau  
Kelly, R.C. Marty Sams

**Transportation Committee**

**Chair:** Kelly, R.C. **Vice Chair:** Chaudhary  
**Office:** 323 Capitol **Phone:** (651) 296-5285  
**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 112 Capitol  
**Members:** 18

Belanger Johnson, Debbie Ourada Sabo  
Day Langseth Pappas Samuelson  
Johnson, D.H. Metzen Reiter Schwab  
Johnson, D.E. Murphy Robling Terwilliger

# Senate Highlights

In the area of income tax reform, Ventura said he is proposing an across-the-board reduction in state income tax rates that will reach .5 percent in all three brackets. Finally, in the area of tax proposals, Ventura said that he wants the state to rely more on the sales tax and less on the income and property tax systems. He said that the sales tax is "out of step" with a modern economy and proposes expanding the sales tax to some services. According to Ventura, about 60 percent of purchases are for services that mostly go untaxed. He also pointed to the growth of e-commerce and sales over the Internet as causing a growing tax loss because sellers from outside Minnesota don't collect Minnesota sales tax, thus putting Minnesota retailers at a disadvantage. Ventura also proposed lowering the rate of sales tax to 6 percent.

Ventura also cited other areas for "reform." He said that telecommunications laws are outdated and must be changed to encourage competition, provide an expedited process for resolving telecommunications disputes, provide advanced services to all of Minnesota and encourage investment in advanced technology.

In the area of education, Ventura said, "We must meet the challenge of filling teacher vacancies in subject areas such as math and science, the challenge of teacher compensation and the challenge of being accountable for the funds spent on education." He said proposed increases in education spending will be limited and targeted.

Ventura also said that he is exploring a major reorganization between the Dept. of Economic Security and the Dept. of Trade and Economic Development in order to more efficiently deliver services aimed at workforce development and economic development.

The governor also called for restraint in spending. He said that his biennial budget will have very limited spending and will be focused on achieving results and delivering services with little more than existing resources.

Finally, Ventura called for legislative reforms such as repealing obsolete laws, setting spending targets early in the session and making sure committee meetings are announced in a timely manner to help ensure even more open, accountable and responsive government. He also proposed having only a single legislative session in

the biennium. "I see no reason why we can't complete the people's business with one legislative session every other year," he said. To encourage Legislators, Ventura said that he has requested that a capital budget—or bonding proposal—be developed for consideration this session, rather than in the traditional even year session. Ventura also proposed campaign finance reform to limit independent expenditures, provide candidates with public money when they need it and provide better citizen access to campaign finance information on the world wide web.

Ventura concluded the address by calling for a thorough and complete debate of his proposals through the coming weeks and months of the session.

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## Listserv available

Both the Senate and House have established "listservs" to automatically send daily committee schedules to subscribers with Internet e-mail access. The service is designed to make it easier for the public to get up to the minute information about Senate and House committee schedules. A "listserv" is a mailing list

program designed to copy and distribute electronic mail to everyone subscribed to a particular mailing list. It is necessary to subscribe to each list separately.

Individuals may subscribe to the Senate and House listservs at any time and the schedules will be e-mailed on a daily basis. In cases of a major change in the schedule, updated schedule information will also be sent to the listserv mailing list.

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To subscribe to the House listserv send e-mail to:

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In the message body type the following text: subscribe h-schedules

A welcome message with information about how to unsubscribe from the listservs will then be sent to the new subscriber. Subscribers may leave the e-mail mailing list at any time by following the simple instructions.

## Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.state.mn.us>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Administrative Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator.

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# Preview

## Monday, January 8

The Senate will be in session at 11:30 a.m.

### Education Committee

Chair: Sen. Sandra Pappas

1 p.m. Room 123 Capitol

**Agenda:** Department overview and recommendations, Commissioner Christine Jax, Dept. of Children, Families and Learning; update on Standards Implementation, Jessie Montano, Dept. of Children, Families and Learning; "Set the Price," Tom Melcher, Dept. of Children, Families and Learning, and Eric Nauman, Senate fiscal analyst.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** Minnesota Dept. of Human Services, department overview.

## Tuesday, January 9

### Transportation Committee

Chair: Sen. Randy C. Kelly

9 a.m. Room 112 Capitol

**Agenda:** Review of Dept. of Transportation priorities, committee jurisdictions, reports due, and transportation system financing.

### Joint Senate and House Environment and Natural Resources Committees

Co-Chairs: Sen. Jane Krentz and Rep. Dennis Ozment

10:15 a.m. Room 123 Capitol

**Agenda:** Dept. of Health overview of children's environmental health issues.

### Administrative Rules Task Force

Chair: Rep. Gene Pelowski

4 p.m. Room 300N State Office Building

**Agenda:** Public testimony. Discussion of the draft Rules Task Force final report (prepared by Laura Offerdahl). Set next meeting date.

## Wednesday, January 10

### Crime Prevention Committee

Chair: Sen. Jane Ranum

9 a.m. Room 15 Capitol

**Agenda:** Informational hearing on CrimNet (integrated criminal justice information system).

### Education Committee

Chair: Sen. Sandra Pappas

1 p.m. Room 123 Capitol

**Agenda:** Discussion of early education and childcare issues. Presentation to include "The Action Plan for Early Care and Education in Minnesota" and an overview of Minnesota's early child care and education programs. Participants include: Karen Carlson, assistant commissioner, Dept. of Children, Families and Learning; former Sen. Pat Piper, former chair of the Senate Family and Early Childhood Education Budget Division; Don Fraser, Minnesota Early Care and Education Finance Commission.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** Minnesota Dept. of Human Services, department overview continuation. Minnesota Dept. of Health, department overview.

### State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Subject hearings concerning: Supreme Court, Court of Appeals, and District Courts.

## Thursday, January 11

The Senate will be in session at 8:30 a.m.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

1 p.m. Room 107 Capitol

**Agenda:** S.F. 23-Johnson, Dean: Tornado disaster relief.

### Telecommunications, Energy and Utilities Committee

Chair: Sen. Jim Metzger

2 p.m. Room 15 Capitol

**Agenda:** Overview of energy issues.

### State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Subject hearings concerning the Legislative Auditor's Office, the Department of Finance and the Department of Revenue.

## Friday, January 12

### Legislative Audit Commission

Chair: Rep. Dan McElroy

12 noon, Room 316 Capitol

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# Senate Briefly

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*A view of the Cass Gilbert designed oval staircase just off the northeast side of the rotunda. Built on the cantilever principle, the stairway creates a sense of unobstructed spiralling motion. Photo by David J. Oakes*



January 12, 2001

# Senate Highlights

## King resolution approved

The Senate met in floor session Thurs., Jan. 11, and passed the first bill of the year, S.F. 28. The bill, authored by Sen. John Hottinger (DFL-Mankato), allows teaching candidates caught between old and new rules to complete their preparation program under current licensure rules. Hottinger said there are only 58 students affected by the bill. He added that passage of the measure eliminates the need for the students to complete an additional year of college. The bill was passed on a 52-1 roll call vote.

Sen. Satveer Chaudhary (DFL-Fridley) introduced a resolution commemorating the life and work of Rev. Dr. Martin Luther King, Jr. Chaudhary, whose parents were born in India, related King's work in the United States to Gandhi's struggle for freedom in India. Chaudhary reminded Senators of ongoing struggles for equal opportunity in contemporary society and asked his listeners to "join together to pursue our new destiny of new freedoms."

Several appointments were submitted to the Senate for confirmation and referred to the appropriate committees. In closing, Senators observed a moment of silence to express sympathy at the death of the son of Sen. Sam Solon (DFL-Duluth).

The Senate also met briefly Mon., Jan. 8, in order to process bill introductions and assign bills to the appropriate committees.

## Projected surpluses questioned

The Senate Finance Committee held its first meeting of the new legislative session Thurs., Jan. 4, in order to examine the November forecast published by the Department of Finance. Commissioner Pamela Wheelock and State Economist Tom Stinson were present to discuss the forecast with the committee.

Highlights of the November forecast focused on projected surpluses. A projected balance of \$924 million, excluding reserves, is expected at the end of FY 2000-01; as required by law, this amount has been designated by the commissioner as available for rebate. Stinson and Wheelock clarified that about a third of the surplus revenue has not yet been collected and indicated that the actual amount available for rebate will be influenced by various factors. Also included in the forecast was a projected budget surplus for FY 2002-03 of \$2.086 billion and a surplus of \$2.937 billion in the initial planning estimate for FY 2004-05. Wheelock emphasized that the

projections are prepared based on a national economic forecast provided by Data Resources, Inc. (DRI), and that they reflect current law only, taking into account no presumed or potential changes in policy or statute.

Many Senators questioned the reliability of the forecast, particularly as it relates to economic reports that have surfaced since the November forecast was completed. Sen. Douglas Johnson (DFL-Tower), chair of the committee, asked how the numbers in the forecast might be affected by sagging new car sales, declining corporate profits, recent layoffs, rising natural gas prices and Minnesota's labor shortage. When he inquired what these indicators mean for the forecast, Stinson replied. "It certainly doesn't mean anything good." Stinson indicated that some of the possibilities, including the layoffs at the LTV mine in Hoyt Falls, had been taken into account. He said he found recent drops in job growth to be the most troubling economic indicator, and that more recent forecasts by DRI had already predicted less optimistic growth than that used as a base for the department's November forecast. He also pointed to the fact that the Minnesota Council of Economic Advisors, whose responsibility it is to review the November forecast, expressed concerns about the optimism of the DRI forecast. DRI had predicted higher growth in the long term than most other national forecasts had anticipated.

Sen. Charles Berg (R-Chokio) expressed additional concerns, pointing to further factors that he said indicated a major slowdown in the economy. According to Berg, these factors were the downturn in the stock market, a report in December of low consumer confidence and the Federal Reserve's action on Jan. 3 of this year to lower interest rates. Stinson reiterated that indicators change constantly and that future forecasts, including the Department's February forecast, would surely be more accurate. He said that the current situation is, in fact, less serious than it seems and suggested that the Federal Reserve's action may have been taken to lessen the likelihood of the type of "self-fulfilling prophecy" that talk of recession has created in the past. He and Wheelock said that recent changes did not indicate a coming recession and that the rates of economic growth would merely be smaller than the projections used in November.

Sen. David Knutson (R-Burnsville),

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Sen. Deanna Wiener (DFL-Eagan), and Douglas Johnson questioned Stinson about the Department's use of DRI. Stinson acknowledged that DRI has an optimistic bias but maintained that its monthly forecasts are thorough, reputable and widely used by major corporations. He further clarified that the Department adapts DRI's formulae to reflect the specific makeup of the Minnesota economy and the review by the Council of Economic Advisors adds credibility to the forecast. In the case of the November forecast, the Council had voted 4-1 to accept it, despite their reservations about its optimism. He acknowledged that their decision in this matter was influenced by the realization that the February forecast would reflect current trends more completely in time for the Legislature to make decisions regarding future revenues and expenditures. Wheelock agreed, though she did note that one of the assumptions the forecast used, that of the continued growth in productivity, would be not be any more confirmed by the time of the February forecast.

Douglas Johnson summarized the volatility and risk involved in using forecasts by saying that, clearly, Senators should be careful when looking at projected surpluses, especially the one in the FY 2004-05 planning estimate. "The bottom line is," he said, "that we're not going to have that three billion dollars anymore."

Members of the committee also questioned Stinson and Wheelock on specific issues regarding the forecast's relationship to the tax reform proposal Governor Jesse Ventura had outlined earlier in the day. Wheelock said that broad changes do make forecasting more difficult in the interim because the predictions involve discerning changes in human behavior instead of simply manipulating numerical variables. Sen. Dean Johnson (DFL-Willmar) said that the nature of the redistribution of taxes in the governor's proposal would make revenues more volatile and harder to predict.

### Expenses resolution okayed

Members of the Rules and Administration Committee met briefly Weds., Jan. 10, to complete work on two items remaining from the opening day's meeting. The first item, a resolution setting compensation rates for mileage, living and telecommunication expenses by members

of the Senate was approved after members adopted one amendment.

The resolution sets mileage compensation at 34.5 cents per mile, compensation for housing expenses, for members who reside more than 50 miles from the Capitol and must rent accommodation for the session, at \$900 per month, and telecommunications compensation at \$125 per month. The resolution originally specified a per diem rate of \$60 per day, however, Minority Leader Dick Day (R-Owatonna) offered an amendment raising the amount to \$66 per day. Sen. Keith Langseth (DFL-Glyndon) and Sen. Dennis Frederickson (R-New Ulm) both spoke in support of the amendment. The amendment was adopted.

The committee, chaired by Sen. Roger D. Moe (DFL-Erskine) also adopted changes to the permanent and temporary staff rosters. The final item of business was the approval of changes in staff titles and salary levels.

### Listserv available

Both the Senate and House have established "listservs" to automatically send daily committee schedules to subscribers with Internet e-mail access. The service is designed to make it easier for the public to get up to the minute information about Senate and House committee schedules. A "listserv" is a mailing list program designed to copy and distribute electronic mail to everyone subscribed to a particular mailing list. It is necessary to subscribe to each list separately.

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# Committee update

## Crime Prevention

### Crime trends discussed

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Jan. 5, to examine information provided by the Dept. of Corrections (DOC) in regard to offender trend data and to discuss an eight point plan for probation services.

Ranum told members that over the course of the session, the committee would focus on three primary criminal justice issues: the status and development of CriMNet (the integrated criminal justice information network), mental health as it relates to offenders in the criminal justice system and the growing racial disparities in the system.

Dan Storkamp, director of the Interagency Management Unit, DOC, presented slides and data to illustrate prison and probation offender profiles. Storkamp's data indicates that the adult prison inmate population has tripled since 1981. There are currently 6,150 adults in Minnesota prisons, which represents an 88 percent increase in the male inmate population and a 23 percent increase in the female population since 1984. He said the average sentence for each offender is 40 months. Sex offenses, homicide and drug offenses, respectively, comprise the top three felony and gross misdemeanor criminal offenses in Minnesota. Sen. Randy Kelley (DFL-St. Paul) told the committee that statistics designating drug offenders are deceptive because drug offenders are often "career criminals" with criminal histories that may include an array of other crime types and incarcerations.

In regard to the racial minority inmate population, "the minority has become the majority," according to Storkamp. Sen. Grace Schwab (R-Albert Lea) questioned how the state's new demographics relate to the increase in minority incarcerations. Storkamp said that despite an 8 percent minority population in Minnesota, 54 percent of Minnesota's inmates are non-white.

Will Alexander, Community Notification Coordinator for the DOC, provided a brief history of predatory offender notification policy and told members that the Bureau of Criminal Apprehension (BCA) was currently bringing predatory offender records up to date. Since 1996, when the notification law was passed, risk

assessments were provided on 1,013 level one offenders, 422 level two and 219 level three offenders. He said that detailed explanations of sex offense risk level profiles were available on the BCA web site for anyone interested in obtaining more information.

DOC Assistant Commissioner Mark Carey presented the department's eight-point plan, a set of minimum standards developed to allow Minnesota's correctional services to achieve consistent, results-based outcomes across the state. Carey said the plan would help in targeting resources and was developed following interviews with probation officers and other county personnel in surveys of all 87 counties. The plan includes the utilization of automated risk tool implementation to identify factors which predict recidivism; the use of cognitive/behavioral programming classes for high-risk offenders; the use of structured case plans by case managers; the use of restorative justice techniques aimed at repairing harm to victims, the community, and to encourage accountability by offenders; the implementation and widespread availability of core primary correctional services; the use of standard workload criteria; planning effective transition/aftercare services; and providing statewide outcome measures to improve correctional practice, to inform policy-makers and to help make funding decisions.

### CriMNet reviewed

Members of the Crime Prevention Committee met Weds., Jan. 10, to review the history and status of the CriMNet Project, the blueprint for the integration of the criminal justice information system. Sen. Jane Ranum (DFL-Mpls.), chair of the committee, introduced the Director of Information Systems for the Supreme Court, Dale Good. Good presented an historical perspective and defined the need for initiating the project, in addition to outlining specific goals. Good said that under the current system, there are 1,100 independent agencies that supply or utilize criminal justice information, but each does not have a complete record of the offender. There is no single authority for funding or accountability, and agencies may be governed by state, federal and local laws, rules and customs, according to Good. Typically, he said, an offender's file may supply a name, date of birth, address and other information—but often

there is no biometric information, such as fingerprints and photo image, to allow a positive identification. Criminal history and probation information is often missing, he said. Offenders know, according to Good, that they can change their names and other non-biometric identifying information in order to evade recognition as someone having a prior criminal history.

Ranum said it was important to emphasize the fact that cities and counties are the suppliers of information the system depends on—underscoring the need to properly train and equip at the local level. CriMNet Project Director Michael Ladd followed with an overview detailing how the system will be updated and how records will be affected. He assured the panel that the computerized system is a secure one, accessible only to authorized personnel.

Commissioner Charlie Weaver, Dept. of Public Safety, presented the CriMNet Policy Group recommendations and underscored the point that CriMNet is "not about technology; it's about the way people do business." He continued, "It's about changing the way we do business at the Bureau of Criminal Apprehension (BCA); it's about changing the way we do business in courtrooms." Weaver said the proposal covers six major points, including managing and staffing the CriMNet Enterprise Architecture Models and Standards and criminal justice information integration efforts; planning, developing and implementing the CriMNet Integration Backbone application and processes; continuing to develop the Supreme Court Information System (MNCIS); continuing to develop the Dept. of Corrections (DOC) Statewide System, and providing grants to local governments to implement the system; solving existing BCA Suspense file issues and processes; and providing local government CriMNet implementation and planning grants.

Weaver also said he was very concerned about the 26,000 convictions transferred to Suspense Files, representing roughly half of all convictions. District Court Judge Tom McCarthy testified that files go into Suspense when a conviction is entered but not added to an offender's criminal history by the BCA due to a lack of verification by biometric means. The BCA is currently focusing on updating records of murder convictions in Suspense, according to Weaver.

McCarthy stated that about 300

convictions go into Suspense every week and that 70 percent of those represent violent offenses.

Nate Garvis, vice president of government affairs for Target Corp. spoke to the need for an updated, integrated information system that could compare technologically with systems currently employed in the business world. He told the panel that he became involved with the issue of criminal justice information systems when he and others in the business community learned of the high offender recidivism rates that consume enormous amounts of criminal justice dollars. Garvis said he was horrified when he learned of the large numbers of violent predatory offenders “out there.” Garvis said he listened early on to Commissioner Weaver describe problems within the existing system and told him, “You have an inventory management problem.” The problem was further defined when a consultant from Harvard University was then brought in to assess the existing Hennepin County system, according to Duane Benson, executive director of the MN Business Partnership.

## Education

### License rule bill okayed

Sen. Sandra Pappas (DFL-St. Paul), chair of the Education Committee called the first meeting of 2001 to order Tues., Jan. 8, and introduced new committee members.

The panel took action on one bill, S.F. 28 authored by Sen. John Hottinger (DFL-Mankato) allowing certain candidates to complete their teacher preparation program under current licensure rules. Approximately 50 candidates who would have qualified under the old program will be unable to qualify under the new program due to additional curriculum requirements. The bill allows the students to complete licensure under the former set of requirements. The bill was approved and sent to the floor.

Commissioner Christine Jax of the Minnesota Department of Children, Families and Learning (CFL) presented an overview of the department including accomplishments, priorities, challenges, and the CFL’s “Contract with the Governor.”

Sen. Chuck Fowler (DFL-Fairmont)

pointed to the special need for teacher recruitment in rural Minnesota school districts. Jax said there is general agreement that in the areas of math, science and special education there are not enough teachers under 40 to replace teachers over 40 and an alternate pathway to licensure is one answer to the problem. She said professionals in the areas of math and science are prohibited from teaching presently because they have not learned pedagogy from professors at a college institution. “However,” Jax said, “my belief is that mentoring can achieve this (pedagogy training) too.”

Next, the Superintendent’s Annual Report on Projected Expenditures and Student Passage Rates (“Set the Price”) was presented by Senate fiscal analyst Eric Nauman and Tom Melcher, CFL fiscal analyst. The Basic Skills Test (BST) a determinative of student performance and given for the first time in Grade 8 was discussed via a comparison of short term (about two years) and long term (12-14 years) of an 80 to 90 percent passage rate. The probability of a 99 percent passage rate for Grade 12 was also addressed.

Ten percent of the districts reporting



*The Education Committee hears a report on early childhood and family education programs.*

Photo by David J. Oakes.

said they cannot reach the 80 percent passage rate for grade 8 and even fewer districts believe they can attain a 90 percent rate in the short term but believe more time and resources could get them to the goal.

Sen. Jane Ranum (DFL-Mpls.) asked if the department saw any cost relation between dollars spent and achievement success.

Sen. Gen Olson (R-Minnetrista) pointed to the report's conclusion, "there appears to be little belief among many of the districts reporting that the estimates provided are reliable, or that increased district expenditures will necessarily lead to the increases in student passage rates, cited in these reports."

Olson noted the contradiction. She said the districts reported more time and resources are needed to achieve the 80 percent passage rates but the report also states that even if they got the money and resources it would not lead to increased passage rates. Pogemiller said, "Kids should be able to read. It's an equity issue. Kids are not getting that and we are not giving them (the school districts) what they ask for (more money)." He said he agreed with Sen. Olson's assessment that the vendor will not say how much we need and it doesn't matter anyway because even if you gave more money, you can't get to the 80 percent passage rate.

## Panel hears action plan

The Education Committee convened Weds., Jan. 10, and was given an overview of early childhood programs by Karen Carlson, assistant commissioner, Department of Children, Learning and Families. Carlson spoke on a report entitled "Publicly-Sponsored Early Childhood and Family Funding Streams." The report includes a plan for integration of all early childhood programs so that children will not fall through the cracks or find themselves enrolled in multiple programs. The annual funding for FY 2000 was approximately \$40 million. Sen. Satveer Chaudhary (DFL-Fridley) asked how the figure compares with other states. Carlson said most states don't have a universal early childhood and family education program, so there is no way of comparing funding figures with other states.

Former Senator Pat Piper (DFL-Austin), and prior chair of the Senate Family and Early Childhood Education Budget Division presented a short history

of family and early childhood education and stressed funding needs for early childhood programs.

The Early Care and Education Finance Commission's final report and action plan was presented to the committee by members of the commission. Former Minneapolis Mayor Don Fraser said, "The report spells out a vision of how Minnesota and Minnesota families can prepare children for school." Recommendations in the report include increases in annual funding of \$35 million for parent education through ECFE, \$160 million for refundable tax credits for families of children under five and \$21.2 million for two strategies for voluntary parental leave programs. The total recommended funding is \$480.7 million, which also includes funding that addresses the quality of early care and education, and re-tooling and integrating early care and education to enable Minnesota's children to be kindergarten-ready.

The commission also addressed concerns regarding the Minnesota child care program's staffing and retention crisis, which encompasses high job turnover rates of 23 to 30 percent, low wages, and a lower than desired quality of child care in some cases.

In support of the commission's findings, commission member Dr. Blanton Bessinger of St. Paul Children's Hospital and president of the Minnesota Medical Association said brain development starts in utero and is progressive. He said there are increasing numbers of children who have a lack of development, live in poverty and/or in violent settings. "These problems," he said, "must be addressed by policy-makers because one way or the other, these children are going to get our resources - it's a question of when."

## Environment and Natural Resources

### Joint focus on children's environmental health

The Senate and House Environment and Natural Resources Committees met jointly Tues., Jan. 9, to focus on children's environmental health issues. The meeting was co-chaired by Sen. Jane Krentz (DFL-May Township) and Rep. Dennis Ozment (R-Rosemount). Legislators heard testimony from Pat Bloomgren of the Environmental Health Division of the MN

Dept. of Health. Krentz and Ozment announced the formation of a joint working group to generate ideas for environmental legislation affecting children's health. It will be composed of Senators Krentz, Leonard Price (DFL-Woodbury), Twyla Ring (DFL-North Branch), David Knutson (R-Burnsville), and Dennis Frederickson (R-New Ulm), and five House members.

Commissioner of Health Jan Malcolm spoke briefly, praising Krentz and Rep. Kathy Tinglestead (R-Andover) for their effort in creating the working group. She said that because children's environmental health concerns are spread among several different agencies, the issue often fails to receive specific attention.

Bloomgren then gave an overview of children's environmental health threats. She discussed issues such as air quality in schools, lead poisoning from paint and pipes, food safety in cafeterias, and the contamination left behind when clandestine methamphetamine laboratories relocate. Increasing incidence of asthma, a leading cause of school absenteeism, is also a concern, she said. Bloomgren emphasized that "children are not little adults" and may be more susceptible to many hazards than adults are. She said that more data on health and the environment is needed to determine the connection between environment and disease. Very few states, for example, currently track the incidence of birth defects and learning disabilities. Bloomberg said that while \$325 billion is spent yearly in the management of health problems, they could be tracked for less than one percent of that cost.

Several Senators questioned whether the environmental situation was causing enough health problems to require legislative intervention. Sen. Charles Berg (R-Chokio) asked how Bloomberg reconciles her "dire testimony" with the fact that humans are living longer now than in the past. Bloomberg replied that this is because so much money is spent on health care to stretch out the last few years of life. Sen. Steve Dille (R-Dassel) pointed out that 99.99 percent of dietary pesticides are naturally occurring and suggested that "we're blowing the synthetic pesticide issue out of proportion." Bloomberg responded by quoting Dille's own words: "It's all in the dose." Sen. Bob Lessard (IND-Int'l Falls) called for more common sense in evaluating the findings

of state agencies when the findings don't correspond with actual experience.

Other Senators brought up the influence of non-environmental factors on public health. Sen. LeRoy A. Stumpf (DFL-Thief River Falls) mentioned that many Minnesotans get no exercise, are obese and have poor nutrition. Bloomberg agreed that such lifestyle choices also have a big impact on health. Sen. Pat Pariseau (R-Farmington) added that differences between individual people play a large role in the incidence of disease. Bloomberg and several legislators spoke of the prospect of integrating findings from the Human Genome Project in the development of effective disease prevention policy. Pariseau also said that trying to eliminate exposure to every kind of chemical may be the wrong approach; a moderate exposure to chemicals could create immunity to them.

Other debate centered around the issue of air quality. Mold is a problem in schools and even in state office buildings, Bloomberg related. Environmental data shows that outdoor air has gotten cleaner even as asthma rates have risen, as Sen. Dan Stevens (R-Mora) pointed out, but Bloomberg stressed that it is the indoor air that matters, since people spend the majority of their time indoors.

Krentz and Price brought the focus back to children and schools to end the meeting. Price applauded the committee chairs for creating the joint task force, and Krentz said that her personal experience as a teacher had shown her that children were growing more and more susceptible to substances in their environments.

## Health and Family Security

### DHS overview heard

The Committee on Health and Family Security, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Jan 8, to review the structure, status, functions and priorities of the Dept. of Human Services (DHS).

DHS Commissioner Michael O'Keefe provided an overview of the department, which, he said, mirrors the federal Dept. of Health and Human Services and represents the largest state agency, accounting for 20 percent of general fund expenditures.

Following his introduction, O'Keefe presented Assistant Commissioner Mary B. Kennedy, who heads the Health Care Division. Kennedy's presentation focused

on the need to continue making programing more accessible to individuals by simplifying the application process, providing materials in multiple languages, providing web access, offering consistent help to children and expanding public outreach efforts. According to Kennedy, a decade before the federal Balanced Budget Act (BBA) was passed in 1997, which allocated Title XXI federal matching funds to help states expand health coverage for children, the Minnesota Legislature had established one of the first health care programs (MinnesotaCare) in the nation targeted at children. Coverage was later expanded to include parents and adults without children at limited income levels. Kennedy said that MinnesotaCare is now recognized as one of the most comprehensive state-subsidized health coverage programs in the country, and the state's overall uninsured rate is third lowest in the country.

Despite MinnesotaCare's success, the State Children's Health Insurance Program (S-Chip) funding, which allows states to use funding to raise Medicaid income limits so more children can qualify (48,000 in need are still uninsured), the federal Health Care Financing Administration (HCFA) denied Minnesota funding. The federal officials said funds could not be used for programs existing prior to the BBA, according to Kennedy. Kennedy said that HCFA approved a very small plan for Minnesota in 1998, which expanded Medical Assistance for children under age two. The plan—though small—kept Minnesota's S-Chip allotment from being redistributed to other states while allowing time to seek full funding. Congress agreed to allow Minnesota to retain about 60 percent of its unspent S-Chip allotment for 1998 and 1999, to be returned to the state after excess S-Chip expenditures in other states are fully funded. In July of 2000, according to Kennedy, HCFA agreed to consider waiver requests, dependent upon the types of proposals provided by the state. Waivers are needed for Minnesota to use federal S-Chip funding. Specific federal Medicaid requirements must be waived in order to allow states to implement projects demonstrating improved methods of administering the Medicaid Program. Kennedy said that Minnesota would use S-Chip funds for children most in need who are still uninsured—and would include improving access to dental care for low-income

children, expanding access to mental health programs, especially for homeless children or those in the juvenile Court system and would insure low-income parents as well as children.

The Children's Services Division was reviewed by Assistant Commissioner Erin Sullivan Sutton, who said that children's services is a state-supervised-county administered system that works in partnership with counties, communities and others to achieve positive outcomes for children in vulnerable situations. Following her report, several members requested specific information regarding child placement practices. Sen. Sheila Kiscaden (R-Rochester) asked Sullivan Sutton about the average length of stay for children placed outside the home. "That's one of the things we're currently working on," said Sutton. Senators Becky Lourey (DFL-Kerrick) and Linda Higgins (DFL-Mpls.) questioned Sullivan Sutton about eligibility requirements for payment to those caring for children of relatives. Lourey said that in order to be eligible for foster care money, families must be licensed for foster care, which means that children must have been removed from their homes by court order. Families may receive assistance, she said, by qualifying for Minnesota Family Investment Program (MFIP) money, but that rate is lower than what is available through the foster care allotment. Sullivan Sutton said that changes are being considered that afford more equitable access to services.

Assistant Commissioner of Continuing Care Maria R. Gomez said Minnesota is well-regarded for its community-based approach to disabilities service programs and that the state continues to explore progressive service practices. One of the main policy issues under consideration involves the problem of maintaining a stable workforce, said Gomez. Sen. Pat Pariseau (R-Farmington) said she was concerned about closures in care facilities for the elderly, due to insufficient staffing. She said that pay for the workers is not competitive and that lack of personnel has resulted in the closure of over 2,200 beds last year. Gomez said she would also like to focus on better services for the mentally disabled and to expand choices for those under the age of 65.

The final presentation by Assistant Commissioner Elaine Timmer, State Operated Services Division, involved a review of provisions dealing with the care

of those with disabilities who can't access services by other means. The population served by the division include the chemically dependent, the developmentally disabled, elderly persons with severe behavioral problems, persons with mental illness, persons with traumatic brain injuries and persons with psychopathic personalities.

Timmer said the core policy directive for her division consists of serving individuals with disabilities in community settings, focusing on individualized, person-centered care to assist individuals to achieve maximum level of functioning and to ensure safety for vulnerable persons.

### Health overviews heard

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Jan. 10, to hear overviews from the Department of Human Services (DHS) and the Department of Health.

Department of Human Services Assistant Commissioner Jeanette Taylor Jones addressed the department's economic support strategies and discussed programming. She said that about 42,000 families participate in the Minnesota Family Investment Program (MFIP), which provides cash and food assistance to low-income families each month. Under terms of the program, parents must meet work rules or their Minnesota Family Investment Program grant is reduced. Families exit the Minnesota Family Investment Program when their income is 20 percent above the poverty level.

Sen. Leo Foley (DFL-Anoka) questioned Jones regarding average wages earned by MFIP families, and said that earnings below \$10 per hour are less than a living wage. Jones said that according to a five-year longitudinal study conducted by the department, people are advancing in their jobs and hours and wages are increasing over time, with the average family living 161 percent above the poverty level.

Next July, according to Jones, the first families will reach the 60-month time limit for receiving assistance. A DHS profile study conducted to determine what families will reach the 60-month limit, indicated that larger families, Asians and American Indians appear to be more likely to remain on assistance for the entire term. Jones said that overall, the issue seemed to be "less what people look like or what

their characteristics are, and more about the problems the family might have."

Department of Human Services Assistant Commissioner Dennis W. Erickson provided information about the department's Finance and Management Operations Division (FMO). Erickson said that the use of technology has greatly increased the quality and operational efficiencies in his division, which he described as "very complex."

In the area of health care operations, Erickson said, 90 percent of the payment systems for Medical Assistance, claims operations and eligibility verification for 30,000 health care providers are electronically processed. His division is responsible for licencing approximately 28,000 residential and non-residential programs across DHS services and investigating approximately 650 allegations of abuse and neglect of vulnerable children and adults per year.

The division also handles criminal background checks for approximately 170,000 individuals per year, resolving over 4,000 client service/benefit appeals and over 200 provider rate appeals annually. Erickson said the division works with the Attorney General's Office to defend DHS in lawsuits and provides legal interpretations, in addition to clarifying human services laws, developing rules, bulletins and contracts governing service delivery.

Minnesota Department of Health Commissioner Jan Malcolm told the committee that Minnesota is always rated first or second in the nation in terms of providing outstanding health care programs. Despite the high ranking, Malcolm said there are still many disparities in the system, mostly concerning who is served within various categories.

Malcolm defined five strategic directions for the department. The directions include eliminating disparities in the system, which is also a priority at the national level, supporting communities to improve the health of youth, improving readiness to respond to emerging health threats, such as antibiotic-resistant disease, bio-terrorism, responding to clandestine drug problems and immunizations, preparing Minnesota for the next stage of health reform and redoubling efforts to bring the community together to move health status forward. Malcolm concluded her presentation with a detailed structural overview of the department.

## Jobs, Housing and Community Development

### MFHA and CFL programs overview

The Jobs, Housing and Community Development Committee surveyed the crisis housing situation and possible legislative solutions during its first hearing Weds., Jan. 8. Commissioner Kit Hadley and Tonja Orr, representing the Minnesota Housing Finance Agency, and Karen Carlson, Connie Greer, and Patrick Leary, from the Department of Children, Families and Learning, presented overviews of their departments, focusing on the organizations' insights into the housing shortage and legislative needs.

Hadley described the MHFA as the major organization that provides funding for housing programs. The agency distributes state and federal appropriations for rental assistance, low-income housing development, and financial aid to first-time home buyers.

Hadley reported that the stagnation of Minnesota residents' median salary is "mismatched" with climbing housing costs. Despite a healthy economy, more than 40 percent of Minnesota's workers are paid less than \$10 per hour, Hadley said. While at the same time, housing costs are soaring due to cuts in production, the deteriorating condition of housing projects constructed in the seventies, and vacancy rates as low as one percent, she said. Thus, she reported, more families are spending over 30 percent of their income on housing. This increase, she suggested, signals a serious affordable housing shortage.

Leary, a homelessness specialist with the Department of Children, Families and Learning, said the "slow but steady increase" in homelessness reflects the housing crisis. He reported that on a typical night in 1985, 11,650 people slept in shelters; in August 2000 more than 64,000 people stayed in shelters on an average night.

Children are often the victims of the housing crisis, Leary said. He said the average age of a person in a shelter in the United States is nine and children comprise 52 percent of the shelter population. Committee Chair Senator Ellen Anderson (DFL-St. Paul) said the committee's work would address the impact of the housing crisis on children instead of letting the issue be "ping ponged around" as it had in



the past.

Since 1989 the state's spending on affordable housing has escalated 400 percent, according to Hadley. She said the MHFA hopes to consolidate its economic development funds into its Economic Development and Housing Challenge Program, which would otherwise dissolve after spending a \$90-million one-time appropriation it received from the state last year. Anderson said the committee will be working on legislation that would authorize the consolidation.

The Challenge Program, unlike other MHFA programs, has a statutory responsibility to encourage the private sector to contribute to affordable housing programs, according to Hadley. The private sector offerings vary from \$250 donations from small businesses to millions of dollars given by corporations, she said. "We need to bring as much money to the table as we can," said Orr. She added that the MHFA is working to "increase the number of players, not just looking for dollar amounts."

## State Government, Economic Development and the Judiciary Budget Division

### Courts highlight challenges, innovations

The State Government, Economic Development and the Judiciary Budget Division met Weds., Jan. 10, to hear reports by representatives of the state court system. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided.

State Court Administrator Sue Dosal presented an overview of Minnesota's courts and focused on growing caseloads for judges at all levels. She said that major case filings and dispositions have increased 36 percent in the last decade with only a 11 percent increase in the number of judges. Juvenile and criminal cases represented the greatest portion of the increases, Dosal said. She listed various legislative changes that affected the increased workload, including requirements that expedite Child Protective Services hearings and the addition of offenses such as harassment.

Dosal said that, compared to 11 other states that have similar court systems, Minnesota has the lowest number of judges

per 100,000 residents and the highest number of filings per judge. She suggested that the workload of the judicial branch has "reached the breaking point" and that judges throughout the system are concerned that the quantity of cases is adversely affecting the quality of justice.

Cohen asked if the retirement age of 70 for judges in Minnesota is typical and Dosal said that some states set it at 75. Sen. David Knutson (R-Burnsville) asked if advances in technology have helped make judges' work more efficient. Dosal said that the judiciary's technology is not advanced enough to have an impact on day-to-day adjudicative duties. Judge Edward Toussaint, Chief Judge of the Court of Appeals, also addressed issues of retirement and technology. He outlined ways the Court has sought to make the caseload more manageable, including the use of retired judges and interactive video to hear cases.

A panel of District Court Judges presented further testimony on the court system. Judge Edward Lynch highlighted the "Children's Justice" and "Public Trust and Confidence" initiatives of the judicial branch's report on strategies and priorities. Judges Leslie Metzen, Lawrence Cohen, Lucy Weiland, and Richard Hopper each presented information about different local innovations and pilot projects, included "peer courts" for juvenile hearings, community courts and the State Wards Advocacy Project.

## Transportation

### Panel hears reports

The Senate Transportation Committee met Tues., Jan. 9. Sen. Randy Kelly (DFL-St. Paul), committee chair, called the meeting to order and introduced new members. The committee reviewed Department of Transportation priorities presented by Deputy Commissioner Doug Weiszhaar. The priorities included strategic objectives that call for a department reorganization to better accomplish its mission. Weiszhaar's remarks also covered reports on "Bottleneck Removal: Relieving traffic congestion at Twin Cities-area bottleneck sites," and "Better Connections For Minnesota's Future: Interregional Corridor Study."

During a review of Transportation System Financing, staff said last session provided a significant amount of one-time funding that took care of a number of

projects and moved others up in scheduling. Since the appropriations will be spent by 2003, Kelly said the Senate needs to be looking for an on-going funding source and to aggressively pursue options. "What we need is leadership," said Sen. Roy Terwilliger (R-Edina) and the committee needs to be committed to finding a way for funding. He also said, "The people out there want something done and they're looking at the governor and us." Sen. Keith Langseth (DFL-Glyndon) commended the administration for being aggressive on Transportation last year and said he would like to see it again this year. Kelly said, "You are hearing a strong, determined attitude and are expecting an aggressive and strong effort to meet transportation needs. You can expect a package coming out of the Senate that is aggressive, far reaching and bold."

Sen. Dean Johnson (DFL-Wilmar) said a bill needs to be developed to fund the July 2000 trooper academy school. He also said that unless \$1.2 million is appropriated for this purpose, the class will have to be postponed until January 2002.

## Transportation and Public Safety Budget Division

### Panel hears State Patrol budget challenges

The Transportation and Public Safety Budget Division met Thurs., Jan. 11. Committee Chair Dean Johnson (DFL-Willmar) called the meeting to order and presented a draft proposal for a bill to appropriate \$1.2 million for the operation of a State Patrol recruit training academy.

Department of Public Safety Commissioner Charlie Weaver presented an overview of State Patrol budget challenges. He said the State Patrol has experienced a number of recent unanticipated and on-going budget challenges, including an increase of 54 percent in gas prices since 1999, an increase of 60 percent in vehicle maintenance and repair since 1995, an increase of 80 percent in health insurance costs since 1997, an increase of 12 percent in fatalities and accidents since last year, and unfunded training mandates. Weaver said the Patrol is engaged in a planning process to identify needs, identify technological improvements and/or efficiencies and to pursue other funding sources.

# Preview

## Monday, January 15

Senate offices will be closed in observance of Martin Luther King, Jr. Day.

## Tuesday, January 16

### Joint Senate and House Health and Family Security Committee

*Chairs: Sen. Dallas Sams and Rep. Fran Bradley*

8:15 a.m. Room 10 SOB

**Agenda:** Long Term Care Task Force Report

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** Project development process. Major projects of the Department of Transportation, Major Transportation Projects Commission

**The Senate will be in session at 12 noon.**

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 9-Wiger: Authorizing city of Mahtomedi to provide housing assistance to get local daytime paramedic service. S.F. 45-Kinkel: Authorizing 25 additional licensed part-time peace officers in Itasca County Sheriff's Department. S.F. 61-Kierlin: Adding authority to transfer personal property to nonprofit corporations.

### Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzen*

2 p.m. Room 15 Capitol

**Agenda:** Overview on the high costs of home heating. Presentations include: Department of Commerce - Wholesale Gas Costs and Department of Economic Security - Fuel Assistance Programs.

### State Government, Economic Development and Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Subject hearings concerning: the Department of Trade and Economic Development, the Department of Economic Security, the Housing Finance Agency, the Iron Range Resources and Rehabilitation Board, and Minnesota Technology, Inc.

## Wednesday, January 17

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Sentencing practices in Minnesota. Sentencing Guidelines Commission report. Sentencing data and trends.

### Jobs, Housing and Community Development Committee

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** S.F. 23-Johnson, Dean: Granite Falls Tornado Relief. S.F. 100-Johnson, Douglas: Providing targeted funding for the Minnesota Investment Fund. S.F. 101-Johnson, Douglas: Providing extended unemployment benefits for employees of LTV Mining and its suppliers. S.F. 39-Johnson, Douglas: Requiring a closed iron mine to be maintained for two years.

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

10 a.m. Room 107 Capitol

**Agenda:** 2001 legislative overview, Commissioner Gene Hugoson, Dept. of Agriculture. S.F. 34-Johnson, Dean: Tuition and text reimbursement for members of the National Guard.

### Education Committee

*Chair: Sen. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** MNSCU Overview. Legislative Auditor's Report on MNSCU merger.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** Committee briefing on the Minnesota Family Investment Plan.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Overview of Dept. of Corrections per-diem reduction plan by: Commissioner Sheryl Ramstad Hvass, Deputy Commissioner Dennis Benson, and Dan Storkamp, director of Interagency Management Unit.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Discussion of work plan and committee operations.

## Thursday, January 18

**The Senate will be in session at 9:30 a.m.**

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

Immediately following session Room 112 Capitol

**Agenda:** Crosstown issue (Highway 62); Driver and Vehicle Services; and State Transportation Improvement Program (STIP).

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

10 a.m. Room 107 Capitol

**Agenda:** Department of Natural Resources session overview and presentation of 2000 Performance Report: Commissioner Allen Garber and Deputy Commissioner Steve Morse.

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

1 p.m. Room 123 Capitol

**Agenda:** "Debt Management" presentation by Deputy Commissioner Peter Sausen, Dept. of Finance.

### Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzen*

1 p.m. Room 15 Capitol

**Agenda:** Special offsite meeting. Tour of Mid-continent Area Power Pool site.

## Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

4 p.m. Room 123 Capitol

**Agenda:** Overview of Medical Assistance surcharges (Testimony will be taken) and overview of intergovernmental transfers (Testimony will be taken) - Given by: David Giel, legislative analyst, Senate Counsel and Research.

## State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Subject hearing concerning: the Department of Administration's Office of Technology and Intertech, the Department of Revenue, the Department of Finance, the Secretary of State, the Attorney General, the State Treasurer, the Legislative Auditor, and Minnesota Planning.

## Tax Committee

Chair: Sen. Lawrence Pogemiller

4 p.m. Room 15 Capitol

**Agenda:** To be announced.

## Friday, January 19

## Crime Prevention Committee

Chair: Sen. Jane Ranum

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

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## Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.state.mn.us>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Administrative Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The Senate Web site (<http://www.senate.leg.state.mn.us>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

## Senate Publications

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Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*A view of the skylight over the  
Grand Staircase to the Supreme  
Court Chamber in the Capitol.  
Photo by David J. Oakes*



January 19, 2001

# Senate Highlights

## Brief floor sessions held

Senators met for two brief floor sessions Tues., Jan. 16 and Thurs., Jan. 18, in order to process bill introductions and facilitate the movement of bills between committees.

## Tornado relief, mine closing bill heard

The Jobs, Housing and Community Development Committee examined bills Weds., Jan. 17, providing tornado relief for Yellow Medicine and Chippewa Counties and unemployment benefits for those affected by the closing of the LTV mine in Hoyt Lakes.

The committee discussed S.F. 23, which provides for the Granite Falls area disaster relief necessitated by a tornado July 25, 2000. Although much of the bill lay outside of the committee's jurisdiction, the panel did approve a \$400,000 grant for Project Turn Around, a private nonprofit organization that provides services for those suffering from gambling addictions and substance abuse in the Granite Falls area. The money will be used to repair building damages caused by the tornado, said Sen. Dean Johnson (DFL-Willmar), author of the bill. Granite Falls Mayor David Smiglewski said the organi-

zation is a "major economic piece of the community" that employs 45 to 50 people. John Fuller, an attorney from Senate Council and Research, suggested that Project Turn Around receive a grant from the general fund to be used for capital expenditure instead of an appropriation from the Minnesota Investment Fund as was originally proposed. Sen. Dean Johnson said it was "a very friendly proposal" and the amendment was adopted. The amendment was approved and re-referred to the Education Committee.

Sen. Douglas Johnson (DFL-Tower) offered three bills, S.F. 39, 100, and 101, which address the closing of the LTV taconite mine. The effects of the closing "ripple a ways beyond our community," said Hoyt Lakes Mayor Marlene Popeck. S.F. 100, authored by Doug Johnson, allocates \$15 million from the general fund to support the economic development of the area most affected by LTV mine lay-offs. The money, allocated to the Department of Trade and Economic Development, will replace some of the Iron Range Resources and Rehabilitation Board's (IRRRB) revenue loss, estimated at \$45 to 55 million, caused when the LTV Corporation stops paying its taconite tax in January, said Douglas Johnson. The loss,

he said, would weaken IRRRB rehabilitation programs when they are needed most. When Sen. David Knutson (R-Brunsville) asked why the legislature is not appropriating money directly to the IRRRB, Doug Johnson explained that he did not want to set a precedent of allocating Minnesota Fund Money to the IRRRB, which is usually funded by the taconite tax. The committee referred the bill to the Finance Committee, where the exact amount of the appropriation will be set.

S.F. 39, also authored by Douglas Johnson, increases, from one year to two years, the time a mine or related business must remain in salable condition after closing. "We need time to find a new owner and get financing," Popeck said, "The mine can remain a major component in the Iron Range economy, but we need time to do it. Johnson's bill gives us the time to do it." The bill doubles the time before the LTV Corporation can begin "tearing it down and selling it off piece-meal," said Popeck.

Douglas Johnson said the bill also requires also the power plant that supplied energy to the LTV mine to remain open. "If power plants or docks get sold separately, no one would be interested in the mine. It is vitally important that we keep those assets together," said John Swift, commissioner of the IRRRB. "If the Power Plant is sold, you can scrap the mine. It has to stay together if there is to be any hope for the mine," said Jim Gorski, recording secretary of United Steel Workers Local 4108. S.F. 39 was approved and referred to the floor.

Douglas Johnson presented S.F. 101, which, he said, extends unemployment benefits to workers who lose their jobs due to the LTV mine closing. Qualified unemployed workers will receive health benefits and a sum comparable to their previous wage, about \$452 per week, for up to 104 weeks, he said. He estimated that the extra benefits would cost \$35.49 million, but warned that the cost was dependant on how many people apply for benefits and how long people remain unemployed. "It is expensive," he said, "but it's a real human tragedy."

Douglas Johnson said the fund currently has \$718 million and collects \$44 million in interest per year. Jack Weidenbach, unemployment insurance director at the Department of Economic Security, said that unemployment funds are not solvent. "Assuming a recession of the scale of the early 1990s," he said, "the

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trust fund would go into deficit in a two-year period.” Sen. David Tomassoni (DFL-Chisholm) said, “Even if everyone collected all their benefits, the cost would still be covered by the interest the fund collects every year.”

Johnson said that the bill also extends unemployment benefits to employees laid off by vendors that lost more than 25 percent of their business due to the mine closing. Popeck estimated that 1,400 mine workers are now unemployed and for every job lost in the mine, another job is lost in vendor companies that provide goods and services.

Sen. Roger Moe (DFL-Erskine) said that farmers as well as miners are coping with economic stress and the possibility of raising taxes to pay for the mine closing unfairly increases farmer’s financial strains. Douglas Johnson said that farmers, unlike miners, receive federal assistance and unemployment funds “may or may not be stressed” to the point of needing additional tax money.

According to Johnson, S.F. 101 only extends benefits to people living in the Arrowhead region or people who move back to it. “If an unemployed LTV worker or dynamite blasting company worker who opts to move to the Cities, get a job, and go back, if that job doesn’t work out, they could go back to the Range and take advantage of unemployment benefits or new opportunities there,” said Johnson. Popeck said, “It is vital that we keep a work force in the area to help us attract new businesses.” Committee Chair Ellen Anderson (DFL-St. Paul) said, “This bill is about keeping people in the community, instead of just helping people through a rough transition.”

Tom Hesse, a representative from the Mountain Iron Area Chamber of Commerce, said that although the council gave the bill overwhelming support, it is concerned about the precedent the legislation sets for future mine closings. Knutson said the bill’s scope should be limited as much as possible to preclude “broad precedent setting legislation.” Hesse suggested limiting the legislation to mine closings that involve bankruptcy. Johnson said the LTV mine laid-off its workers before declaring bankruptcy and “bankruptcy was an afterthought.” Sen. Martha Robertson (R-Minnetonka) suggested that the legislation be applicable only to unexpected lay-offs. Johnson said he was willing to work on the language of

the bill further. Anderson said “nothing we do here will keep future Legislatures from doing what they want to do.” S.F. 101 was approved and sent to the floor.

### High heating cost overview

The Telecommunications, Energy and Utilities Committee met Tues., Jan. 17, and heard testimony from the Department of Commerce and the Department of Economic Security. Representatives from both departments focused on the high cost of natural gas. The committee was chaired by Sen. James Metzen (DFL- South St. Paul).

Marya White, manager of energy planning and advocacy for the Department of Commerce, said the current escalating gas prices are rooted in the federal government’s reaction to the energy crisis in the late 1970s. She said during that time, consumers began to conserve as the government deregulated natural gas prices to increase production, causing a “gas bubble” that stabilized fuel prices.

White said the recent cold weather—the coldest two month period in a century—finally popped the “gas bubble.” The costs have been further exacerbated, she said, by the abandonment of conservation efforts due to recent warm winters and undervalued gas. Furthermore, she added, gas distribution companies, like Reliant and Xcel Energy, usually buy gas in the summer when it is cheaper and store it until the demand increases in the fall, but they were unable to use storage as a price buffer this year because the cost did not decline in the summer. Deputy Commissioner Linda Taylor from the Department of Commerce energy division said that, although some of the fuel price increase was predicted, “the size of the increase took our breath away.”

White said that there is no threat of Minnesotans running out of fuel. “We don’t have a shortage of gas. Gas will be there. It’s the price that will be the problem,” she said. Sen. David Tomassoni (DFL-Chisholm) called the situation “price gouging at its best.” “Supply and demand is working here. It’s just a supply and demand thing,” said Sen. Edward Oliver (R- Deephaven).

John Harvanko, director of the Department of Economic Security’s energy programs, said that propane gas prices have increased 73 percent, heating oil 26.8 percent, and natural gas 300 percent. Taylor said low income households are

disproportionally impacted by the soaring fuel prices; while households with above poverty incomes spend 3 percent of their income on fuel during a typical year, low income households pay as much as 13 to 20 percent.

Kim Rezek, director of contact services for the Department of Economic Security’s fuel assistance programs, said that the department has enough federal funds to help all 107,000 households who are asking for fuel assistance. If the state contributes any additional funding, she said, the department most likely would spend it on increasing conservation efforts, such as education outreach to the elderly and the weatherization of homes.

Natural gas prices are expected to decrease by the end of the winter, White said, “Undervalued gas did not promote production. Hopefully, now increasing production will moderate prices.” Taylor said that market prices for natural gas will likely stabilize by the end of the winter, but they will continue to be substantially higher than two years ago. White said, “We are concerned that if prices get too good, conservation won’t be an issue. We need to continue to look at conservation.”

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# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Tuition bill okayed

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Wed., Jan. 17. The committee recommended a National Guard tuition reimbursement bill for passage and heard a 2001 legislative overview from the Dept. of Agriculture.

The tuition reimbursement bill, S.F. 34, increases the support level for the tuition and textbook reimbursement program for eligible members of the National Guard. Sen. Dean Johnson (DFL-Willmar), author of the bill, explained that although legislation passed in 1999 allows for up to 75 percent tuition reimbursement, there is currently only enough funding to support 50 percent reimbursement. Specialist Anna Lewicki, a National Guard member who earned a college degree using the program, gave a presentation that advocated increasing the funding level to 100 percent. She said that the National Guard needs to remain competitive to attract recruits. She added that the Guard, as opposed to the Reserves, has significant state involvement and the Guard needs to stay strong to provide relief during state disasters. She also pointed out that the program promotes self-sufficiency, creates an educated work force, and increases the tax base in Minnesota.

The committee referred the bill to the Finance Committee with a recommendation to pass.

In the other half of the meeting, Commissioner Gene Hugoson of the Dept. of Agriculture outlined agricultural issues facing the 2001 Legislature. He spoke of the impact of globalization, both the benefits that come from opening the export market and the negative effect of increased competition. Hugoson also said industry consolidation is a threat to small farmers and the department is working on promoting direct niche marketing, such as a year-round Farmer's Market in St. Paul. He then addressed the biotechnology issue in light of the recent scandal in which corn meant for animal consumption ended up in human food. Hugoson called the scandal a "breakdown in the system of how people handled the product" and said he thought new legislation would be an

overreaction. Another issue worthy of attention, he said, is the move to give marketers and consumers more information about how food was produced. He advocated making the interim Minnesota Certification program permanent and spoke in favor of new technology that can trace food back to the producer. This is especially useful, he said, when producers are proud of the quality of their particular product.

## Crime Prevention

### Sentencing practices reviewed

The Senate Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.) met Weds., Jan. 17, to hear a report detailing sentencing trends and statistics, presented by Sentencing Guidelines Commission Director, Debra Dailey. Prior to Dailey's presentation, Corrections Commissioner Sheryl Ramstad Hvass gave an overview of the 11-member Sentencing Guidelines Commission, which is responsible for maintaining sentencing guidelines and modifying them, when necessary, to improve problem areas and to reflect legislative changes. Other primary responsibilities of the commission include collecting and evaluating data, reporting to the Legislature and assisting and training criminal justice practitioners. In response to questions about strict adherence to the guidelines, Hvass said that judges may depart from the presumptive guideline sentence if the circumstances of the case are substantial and compelling.

Sen. Leo Foley (DFL-Coon Rapids) asked Hvass to account for the rapid increases in incarcerations when there is a supposed decline in serious crime. Hvass said that approximately 6,000 offenders—5,600 men and 330 women—are incarcerated in Minnesota per year. She said incarcerations have tripled in the past decade and that those figures indicate that the sentencing guidelines have had an impact. Dailey told members that in 1999, the incarceration rate of convicted felons stood at 88 percent, which mirrors the national average. Of those, she said, 65 percent of offenders are sentenced to jail, 23 percent go to prison and 12 percent receive other sanctions.

In her presentation of sentencing guideline modifications, Dailey said that subject to review and approval by the 2001 Legislature, new guidelines related to causing bodily harm to a child, would be

instated. Under the proposal, the severity level of the offense "Malicious Punishment of a Child (bodily harm)," would increase from Level One to Level Four. Ranum told members she approved of adopting the modification. Another modification was related to the aggravating factor involving bias motivation. The aggravating factor, in this case, cannot be used when a person has been convicted under a statute that elevated the crime to a felony offense because of bias motivation, according to the report. The report also stated that in determining when domestic violence, sexual assault and sexual abuse cases are motivated by a victim's sex and the sentence may be appropriately enhanced, proof must be shown of at least one aggravating factor. The aggravating factor example in the report stated: "Offender makes abusive or derogatory references based on gender." Sen. Randy Kelley (DFL-St. Paul) said he was concerned that the proof could be a very minor name-calling and that the punishment might be too severe in relation to the infraction. He said he thought "aggravating factor" was ambiguous wording.

According to Dailey, a new electronic sentencing worksheet developed for the computerized criminal justice infrastructure, or CriMNet system, should be in use statewide within two years. The worksheet tracks total criminal history points accumulated by each offender. The point system is utilized by judges and other criminal justice officials to help in determining appropriate sentences. The worksheet can be saved as a file, copied onto paper or sent as an email attachment. Dailey also said that new forms to report out-of-state placement of juveniles and for alternative placements when a juvenile is covered by mandatory commitment provisions, have been developed in accordance with the 2000 Legislature's requirements. The Legislature made changes requiring that when courts make placements of juveniles at out-of-state facilities rather than at MCF-Red Wing, or make alternative placements when juveniles meet the requirements for mandatory commitment, that the court report information about the placement to the Minnesota Sentencing Guidelines Commission. The commission, is then required to summarize the information and report to the Legislature by Feb. 15 of each year.



## Education

### MnSCU overview heard

The Education Committee met Weds., Jan. 16. Sen. Sandra Pappas (DFL-St. Paul), committee chair, called the meeting to order and introduced Morris J. Anderson, chancellor of the Minnesota State Colleges and Universities system (MnSCU). Anderson presented an overview of MnSCU taken from a report entitled, "Campuses At The Crossroads: The cost to compete." The report includes discussion of the early challenges and goals of the MnSCU merger and an evaluation of the state university system.

Anderson introduced several state university presidents and representatives. They spoke to the committee on the Urban Teaching Partnership, a program identifying urban students interested in an urban teaching career and aiding the students in achieving their goal. Through early student identification, and remedial education that addresses developmental needs, the university administrators said they feel the students will achieve success in the program. Sen. Jane Ranum (DFL-Minneapolis) said students should be tested, especially in math and reading,

prior to college to ensure interested students are prepared for college level courses and don't need remedial education.

Lois Bollman, a representative from Minneapolis Community and Technical College (MCTC) said, we want to help students in the program achieve and "the message we [the partnership administrators] want the committee to hear is that the students are an impressive and committed group and they will make a significant contribution to teaching."

Mankato State University President Dick Rush addressed the teacher shortage. He said "We have established 20 cohorts with 20 students each." In the two-year period from 2001 to 2002 we will give Minnesota an additional 400 teachers per year, he said, that amounts to 800 additional teachers along with the 500 we normally turn out.

MCTC President Philip Davis announced that MCTC is receiving a \$1 million contribution from Wheelock Whitney to start an endowment for its new library and information technology center.

Joel Alter, Legislative Auditor's Office, outlined the auditor's report on the MnSCU merger. His presentation

highlighted five recommendations including a recommendation that MnSCU develop a full array of performance measures, encompassing measures that relate to higher education objectives identified in state law. The report also recommended that MnSCU conduct periodic reviews of selected academic programs on a statewide basis and that MnSCU clarify the role of the board as a whole compared to that of individual trustees. The report also suggested that MnSCU evaluate options for addressing problems caused by the present faculty bargaining arrangements at two-year colleges and that MnSCU increase efforts to resolve the curriculum-related barriers to transferring occupational/technical credits to four-year institutions.

## Health and Family Security

### Joint meeting held

A joint meeting of the Senate Health and Family Security Committee and the House Health and Human Services Policy Committee, co-chaired by Sen. Dallas Sams (DFL-Staples) and Rep. Fran Bradley (R-Rochester), was held Tues., Jan. 16. The panel met to hear a presentation



Senators Sheila Kiscaden and Leonard Price examine an original bond document from 1978 during a meeting of the Capital Investment Committee on Thurs., Jan. 18. A summary of the committee hearing will appear in the next issue of Senate Briefly.

# Committee update

about needs and issues related to long-term care for older citizens in Minnesota.

A legislative task force, comprised of six Senators and six Representatives, and the commissioners of human services, health, and the housing finance agency, conducted surveys and interviews aimed at identifying the nature and extent of the crisis situation in elderly care. The task force worked to establish a set of best strategies to remedy the situation. The task force completed its work in December 2000, resulting in 15 strategies, culled from a list of 48 strategies, to recommend as priorities for the 2001 session. Of those, seven strategies were earmarked for staff to immediately begin implementing. Dept. of Human Services Commissioner Michael O'Keefe introduced Aging Initiative Planning Director LaRhae Knatterud to outline the process used by the task force, and to provide explanations of issues, conclusions and policy directions.

According to Knatterud, many experts feel that long-term care of the elderly will be one of the greatest challenges of the 21st century. She said the type of long-term care system currently provided no longer meets the preferences of older people. Goals established by the task force involve offering more choices and information to empower seniors and their families, encouraging more care at home or in home-like settings and assuring high quality, efficient and affordable care. She said special problems were present for elders in ethnic, immigrant and tribal communities, partly due to isolation, language barriers and even food preferences.

Minnesota is experiencing a severe shortage of workers in long-term care, Knatterud emphasized. She attributed the shortage to low unemployment rates, low wages paid, fewer younger workers and a perceived unattractiveness of the work. The situation will worsen dramatically by 2006, as the need for care outpaces the declining caregiver workforce, she said, unless new regulatory and reimbursement approaches are implemented to support and reshape the system.

The six policy priorities established by the task force include maximizing peoples' ability to meet their own long-term needs by providing more and better consumer information and assistance. We need to encourage greater use of long-term care insurance, Knatterud said, and we need to make it easier to modify and adapt

homes, such as widening doors for wheelchair accessibility. A second priority is to expand the capacity of community options. The task force recommended strengthening Elderly Waiver and Alternative Care programs. In addition, the panel advised helping communities provide more support to their older residents and focusing on the special needs of elders from ethnic, immigrant and tribal communities. The third policy direction was a recommendation that reliance on the institutional model be reduced. The task force suggested that incentives be provided for voluntary closure of nursing home beds where excess capacity exists. Additionally, the task force recommended that new methods for setting rates to reflect changes in customers be studied and identified. The fourth policy direction involved achieving quality outcomes by developing a strategy for approaching the Health Care Financing Administration (HCFA) to obtain more state control of regulations and using new measures of quality of life to provide quality profiles to consumers. Another recommendation dealt with supporting an informal network of family, friends and neighbors, through education, training and information to family caregivers and providing a wider variety of respite services in all parts of the state. The final task force recommendation involved recruiting and training a stable work force by improving compensation and benefits for long-term care workers and requiring state registration of pool agencies. The report also recommended requiring Minnesota State Colleges and Universities (MnSCU) and the Healthcare Education Industry Partnership (HEIP) to focus on the needs of direct support workers.

## MFIP status heard

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Jan. 17, to hear an overview of the Minnesota Family Investment Program (MFIP) from the Dept. of Human Services (DHS). In a brief introduction, Dept. of Human Services Commissioner Michael O'Keefe said that after about three years of implementation, in general, welfare reform in Minnesota is working for most families. He said the emphasis of the program is training and work for adults. In terms of wage levels earned by families affected by the program, O'Keefe said that Minnesota ranks among

the top states, but in terms of moving people out of the program—people in Minnesota are allowed to stay in the program for five years—families in Minnesota generally stay on the program longer than in other states where shorter time limits apply, he said.

Chuck Johnson, director of Families with Children, Dept. of Human Services, provided an extensive overview, covering topics that included case load trends, outcomes for families and recommendations for change. Johnson said that case loads peaked in the early 1990's, with 68,000 families counted in 1993. By FY 2000, that number dropped to 43,000—representing a decline of 37 percent. Case loads declined rapidly in the mid-1990s, which is attributable, in part, to the strong economy, said Johnson. He also stated that the case load has been declining slowly since the implementation of MFIP in 1998. The report indicated that welfare reform can help move families into the workforce and put in place the work supports that many families need. Workforce development efforts are critical to helping all low-income families, whether on welfare or not, Johnson said. The report emphasized that support programs are needed to move families from entry-level jobs into jobs that can truly make them self-sufficient.

Sen. Linda Higgins (DFL-Mpls.) took issue with the contention that families were moving out of poverty, as indicated in the report. She said that the average wage of \$7 per hour earned by working MFIP recipients seemed to indicate a poverty level. Johnson said that poverty levels were defined by the federal government at the following levels: For a family of one: \$8,350 or less annual income; for a family of two: \$11,250; for a family of three: \$14,150; for a family of four: \$17,050; for a family of five: \$19,950. He said that 18 to 20 percent of families leaving the MFIP program returned within one year. According to a report by the administration, one-third of Minnesota workers earn less than \$10 per hour. Sen. Sheila Kiscaden (R-Rochester) said there were interlocking factors, such as teen pregnancy and the educational status of children living in poverty, that also required attention.

A pilot evaluation report that gained national attention, showed that families in MFIP were more likely to marry or have their marriages hold together. The pilot

also indicated an 18 percent drop in domestic violence compared to families in the Aid to Families with Dependent Children (AFDC) control group. Johnson said that children of MFIP families were less likely to experience behavioral problems and performed better in school.

Johnson said that information from a 12-month longitudinal study follow-up of MFIP working families showed that working families are advancing in the labor market, although they generally work in low-paying sectors of the economy. Approximately half of the jobs people worked in were service-sector jobs, the other half were clerical jobs. Ninety percent of those interviewed reported that they liked their jobs, according to the study. The longitudinal study also found that families that have left assistance are faring well. Of those, 80 percent are working and family income averages 161 percent of the poverty level. Sen. Leo Foley (DFL-Coon Rapids) said that even at that earnings-level, he didn't think families could possibly be faring well.

Not all families are making progress under MFIP, according to the report. In tracking 42,000 families with an adult on MFIP in July of 1998, around a quarter of those have not made demonstrable progress toward self-sufficiency. Johnson said there were particular barriers for some of these families, such as lack of transportation, lack of high school education, more children, longer welfare history, mental health problems and having no second parent in the home. The first families to reach the 60-month time limit for MFIP programming will do so in July 2002. DHS projects that in the first fiscal year after the time limit is reached, 13.6 percent of the case load will be impacted, which is below the 20 percent exemption allowed by federal law. Minnesota would therefore qualify for federal funding sources to support most or all of those families moving off MFIP.

## Health, Human Services and Corrections Budget Division

### DOC per diem reduction discussed

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Jan. 17, to hear an overview of the Dept. of Corrections (DOC). Dept. Commissioner Sheryl Ramstad Hvass and

Deputy Commissioner Dennis Bensen outlined efforts to reduce the adult per diem cost at corrections facilities.

Hvass said that Minnesota's per diem cost has been ranked in the top three in the nation. She said her goal is to eventually bring Minnesota out of the top 10 without compromising public and staff safety, while maintaining an acceptable level of education, chemical dependency and mental health programming for inmates at the facilities. One strategy, she said, is to reduce staffing at the agency, primarily through attrition. Any open position will be examined to determine whether its duties could be absorbed by other staff, Hvass said.

Bensen described further specifics of the cost reduction plan. He said that current corrections facilities can absorb the growth that is expected in the prison population by adding beds, mainly at medium-security facilities. Double-bunking, he stated, could create 502 more beds across the state. Bensen also said that the use of technology could allow the current staff to handle a greater prison population since patrols and tower guards could be replaced by more up-to-date methods. In making these changes, he said, "we don't believe we are compromising security or safety anywhere."

Sen. Becky Lourey (DFL-Kerrick) questioned whether the per diem reduction plan cut too much in the area of maintenance. Bensen answered that inmates do a portion of the maintenance work and he said corrections facilities are well-maintained. Sen. Sheila Kiscaden (R-Rochester) asked about reductions in the area of health care. Bensen said 24-hour nurse availability would be cut back in some facilities. In response to further questioning on health care, he said doctors and dentists are on-site at facilities and the department's health care contractor is working with outside providers to reduce costs for specialists and psychiatrists. Sen. Dan Stevens (R-Mora) asked whether the DOC had considered saving money by centralizing services such as human resources in one facility.

## Jobs, Housing and Community Development

### Affordable housing report heard

The Jobs, Housing and Community Development Committee, chaired by Sen.

Ellen Anderson (DFL-St.Paul), met Fri., Jan. 12, and heard the Mayors' Regional Housing Task Force testify on the affordable housing crisis.

Sixteen mayors from Metro Area cities assembled the task force in May 2000 through a Metropolitan Council initiative. The mayors worked to determine regional and local affordable housing goals and arrive at legislative recommendations for achieving the goals. Ted Mondale, chair of the Council, praised the task force for its cooperation with developers, businesses and city, state and federal governments. Although no legislation incorporating the mayors' findings has been introduced yet, the task force is proposing some legislative actions for the session.

Minneapolis Mayor Sharon Sayles Belton, co-chair of the task force, presented the mayors' report on the affordable housing situation. She said "affordable housing has got to be quality housing" and that the task force was committed to long term solutions. For example, she said, the task force wants to create more mixed income housing in order to avoid creating isolated pockets of poverty.

Several mayors cited the negative perception of affordable housing residents by various city council members and constituents as a major obstacle to resolving the housing shortage. Plymouth Mayor Joy Tierney said the mayors needed to take leadership, "not mumble, not hide, and not be afraid of those people who say 'I have a \$600,000 home. Don't you dare put those people in my neighborhood.'" New Hope Mayor Peter Enck said that when his constituents expressed fear about creating affordable housing "for those people" he often responded by asking "What's wrong with my children" and explained that even his children, who are recent college graduates, cannot afford to live in the housing available in his city. He said he preferred the term "work force housing," as opposed to low income housing, because it emphasizes that the people who need more affordable housing are the same people communities need in the work force.

Enck said that removing the requirement for a supermajority to pass city zoning laws would make it easier for city councils to approve affordable housing efforts by decreasing the power of cynical council members.

Tierney said that in order to create affordable housing, cities "need tools and a lot of the tools are dollars." She said that

# Committee update

because cities are forced to use property taxes to fund housing projects, they are forced, paradoxically, to increase property taxes and raise housing costs. In the mayors' report, the task force asks the Legislature to give a portion of the mortgage registry tax to affordable housing.

## State and Local Government Operations

### Itasca officers debated

The State and Local Government Operations committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Tues., Jan. 16, to consider three bills. All three bills, while targeted at specific local problems, elicited debate about their broader implications. Two of the bills were laid over and one was sent to the floor in amended form.

S.F. 45, authored by Sen. Anthony G. "Tony" Kinkel (DFL-Park Rapids), aroused the most controversy. The bill authorizes 25 additional licensed part-time peace officers in the Itasca County Sheriff's department. Itasca County Sheriff Pat Medure explained that Itasca is unique in requiring its in-house staff to be licensed as part-time peace officers. He said this was a longstanding tradition that promotes a greater degree of professionalism in the department, but now the department had run up against the quota for part-time officers allowed by law. He stressed that the part-time officers, while technically authorized to make arrests and carry weapons, would in fact only work in-house.

Neil Melton, executive director of the Peace Officers Standards and Training (POST) Board, which had already denied Itasca County's request, spoke against the bill, saying, "a professional license should not be used as an employment perk. It diminishes the value of that license." Sen. Dan Stevens (R-Mora) expressed concern about the great disparity between licensing requirements for part-time and full-time peace officers and agreed with the POST Board's opinion that Minnesota should discourage the use of part-time officers. In the end, the bill was laid over.

S.F. 9, authored by Sen. Charles Wiger (DFL-North St. Paul), authorizes the city of Mahtomedi to provide housing assistance to daytime paramedics. Mahtomedi Mayor Yale Norwick explained that the

Mahtomedi Fire Department provides advanced life support to the area, but the department has difficulty filling the daytime shifts since many paramedics hold daytime jobs outside Mahtomedi. The difficulty was worsened, he said, because potential daytime paramedics are deterred by the high cost of housing in Mahtomedi. The city would like to sublease a three bedroom house at a reduced cost to individuals willing to serve as daytime paramedics.

Sen. Martha Robertson (R-Minnetonka) suggested that other cities may be facing the same problem, and proposed broadening the bill to include the whole state. Remi Stone from the League of Minnesota Cities said the league was "excited that Mahtomedi wanted to run [the plan] as a pilot project" but as yet the league is neutral on the proposal. The only possible objection, she said, was that the bill could lead to an expectation for a housing entitlement among union groups. The bill was laid over to consider amending it to apply state-wide.

Finally, S.F. 61, authored by Sen. Bob Kierlin (R-Winona), was referred to the floor in amended form. The measure allows local governments to transfer their personal property, when authorized by the governing body. Craig Brooks, director of Winona County Community Services, explained that the bill allows government offices to give obsolete computers to non-profit organizations. The committee adopted an amendment offered by Sen. Lawrence Pogemiller (DFL-Mpls.) to broaden the bill to allow a transfer to any organization, not just a non-profit one.

## State Government, Economic Development and the Judiciary Budget Division

### Audit reports presented

The State Government, Economic Development and the Judiciary Budget Division met Thurs., Jan. 11. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided. Claudia Gudvangen and Cecile Ferkul from the Office of the Legislative Auditor presented the findings of three recent audits. Representatives of the Departments of Finance and Revenue were present to respond.

The first report is a management letter

to the Department of Finance. The report recommends working with the State Board of Investment to consider using a "fair value" basis for reporting allocations within the state's post retirement fund. Finance Commissioner Pamela Wheelock agreed with the merits of a fair value basis but said statute dictates the use of a cost basis. According to staff, a cost basis can distort proportional makeup of the fund because it is based on dollars put into the system and not on current market value. Sen. Martha Robertson (R-Minnetonka) asked if a change in the statute is needed to use a fair value basis. Wheelock said that the department will be recommending such a change. The management letter makes two other recommendations regarding security functions of the Minnesota Accounting and Procurement System. Wheelock said the recommendations are being implemented.

The second report is an audit of the Department of Finance's information warehouse data. The audit shows that the data in the warehouse is both accurate and complete but raises two minor issues regarding passwords and security clearance levels. Wheelock said the concerns have already been addressed.

The final report is an audit of funds appropriated to the Department of Revenue for the purpose of administering property and sales tax rebates. In the case of property taxes, the audit states that determining the actual cost of administering the rebates was "difficult and somewhat subjective" because the rebate was integrated with existing income tax administration. For the sales tax rebates, the audit states that the department's use of allocated funds was "generally appropriate." The audit contains one broad recommendation that the department as a whole should review its policy for special expenses. Dennis Erno, deputy commissioner of the Department of Revenue, agreed with all of the findings.

Wheelock and Bev Driscoll of the Department of Revenue presented overviews of their respective departments. Wheelock highlighted budget drivers for the upcoming biennium, including increased salary and technology costs and the impact of the impending dissolution of the Office of State Treasurer. Driscoll also highlighted budget matters, including staff retention and the collection of underpayment in income taxes. Cohen asked Wheelock to comment on the merits of

establishing a Legislative Budget Office and on the differences between the department's budget services divisions and the corresponding Senate budget divisions. She said she is concerned that, if the Legislature had its own office for making economic forecasts, potential discrepancies between the Legislature's forecasts and the Department of Finance's forecasts could cause Legislators to be distracted from focusing on policy. Regarding the differences in the way budget divisions are grouped, she said that adjustments can be made if necessary.

As a follow-up to the report to the full Finance Committee Thurs., Jan. 4, Wheelock presented the division with an economic update of the department's November forecast. The update reports that November and December revenues were less than originally projected.

### **Division focuses on jobs**

The State Government, Economic Development and the Judiciary Budget Division met Tues., Jan. 16, to hear an overview of employment and economic development issues. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided. Representatives of the Department of Trade and Economic Development, the Department of Economic Security, the Iron Range Resources and Rehabilitation Board, and Minnesota Technology, Inc., presented testimony.

Commissioner Jerry Carlson of the Department of Trade and Economic Development presented an overview of the department, highlighting major initiatives undertaken in four major areas: business and community development, workforce development, trade, and tourism. Carlson said the "Best Climate to Grow Business" initiative helped to create 8,600 jobs and that 82 percent are outside the Metro Area. He said that 77 different grants by the department had leveraged private investment to help develop the skills of more than 22,000 individual workers. He listed the countries that the Minnesota Trade Office has prioritized as "target markets" and identified agricultural commodities, processed foods, information technology, and medical products as the four "focus industries."

Carlson said that the department's focus on developing year-round tourism and leveraging the celebrity status of the governor has fueled \$8 billion in gross receipts for tourism and supporting

industries. Cohen asked about the department's ability to evaluate the impact of money invested in its programs. As an example, Carlson said that tourism promotion was currently returning \$7 for every \$1 spent. Sen. Cal Larson (R-Fergus Falls) said that state parks are a key attraction in the state, especially for lower income consumers, and asked if more effort is needed to promote that aspect of tourism. Carlson said his department works closely with the Department of Natural Resources to highlight the park system.

Earl Wilson, commissioner of the Department of Economic Security, discussed the goals and programs of the department. He said that Minnesota's Workforce Centers and a broad spectrum of development programs make the state a national leader in the area of workforce development, but that a continuing shortage of workers "will be the choke point of economic growth." He also said that federal funding for programs administered by the department do not allow enough flexibility to best accomplish the intended goals. Lastly, he said that there will be a recommendation by the governor to merge the department into the Department of Trade and Economic Development.

John Swift of the Iron Range Resources and Rehabilitation Board presented an overview of the agency. He said it is funded entirely by a tax on taconite and seeks to develop the economic vitality and diversity of Northeastern Minnesota. He also said the agency devotes funds to leverage ongoing investment in existing mines and to manage reclamation when necessary.

Managing Director Patty Billings concluded the meeting with an overview of Minnesota Technology, Inc. She said it is a public nonprofit corporation established by statute to diversify the Greater Minnesota economy toward advanced manufacturing and technology-based businesses, to provide access to advanced technology and to provide leadership in public policy discussions. She said the agency worked with 536 companies in calendar year 2000 and created an economic impact, as reported by the CEO's themselves, of more than \$100 million. Cohen asked her to clarify the method they used to track the impact of their programs and said that perhaps it could serve as a model for other agencies.

## **Taxes**

### **Work plan discussed**

The Tax Committee held its first meeting of the session Wed., Jan. 17. Sen. Lawrence Pogemiller (DFL-Minneapolis), chair of the committee, outlined the basic elements of his vision for the functioning of the committee. Sen. Warren Limmer (R-Maple Grove), citing the desire for public participation, asked if there was to be a standard for the amount of notice given for the hearing of bills. Pogemiller said the committee will do its best to accommodate that concern.

In addition to the two formal budget divisions, Pogemiller suggested several possible "working groups" that could be formed to discuss specific areas of taxation. He also introduced a draft of a work plan that includes a goal statement and 13 objectives. The objectives as written describe various principles concerning tax law, such as progressivity, vertical equity, horizontal equity, accountability, and the "encouragement of socially beneficial economic growth."

Pogemiller emphasized that it is a draft and said that the purpose of the next couple of meetings would be to discuss the objectives and to strive for a consensus version of the plan. He said he hoped the committee could arrive at a final version of the work plan before the governor presents a budget on Jan. 23.

Limmer said that a committee's goals and priorities usually become clear through the process of discussing bills and asked if the intention was to establish a grid which bills must satisfy. Sen. Michele Bachmann (R-Stillwater) asked if the establishment of objectives was the same as agreeing in advance on the specific issues of tax policy. Pogemiller said that it was not merely an exercise but instead an opportunity "to articulate to ourselves and to the public what it is we think that we are doing." Sen. Linda Scheid (DFL-Brooklyn Park) and Sen. Myron Orfield (DFL-Mpls.) said the process of setting goals will be helpful.

## **Telecommunications, Energy and Utilities**

### **Energy issues heard**

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St.

# Committee update

Paul), met Thurs., Jan. 11, to hear overviews from the Dept. of Commerce, the Attorney General's Office and the Public Utilities Commission (PUC).

Department of Commerce Commissioner Jim Bernstein said the state needs to implement a comprehensive statewide energy plan to meet increasing energy challenges. Three energy priorities are consistently raised when surveying consumers, he said: reliability, affordability and price stability. The electricity transmission system is operating close to capacity in many parts of the state, making infrastructure investments an imperative, according to Bernstein. He said that by the end of this decade, Minnesota will be 5,000 megawatts short of projected electricity demand and that although the situation is problematic, we are not yet in crisis as many other states are. The department believes that deregulation is not the answer for now, Bernstein said.

The situation in regard to natural gas is even more problematic since natural gas fuels most of our power plants. Bernstein reported that supplies of natural gas are tight and prices have roughly tripled since January 2000. In terms of petroleum supplies, he said, prices will likely continue to increase in the long run. He reported that demand is outstripping ocean-shipping capacity and approaching pipeline capacity.

Linda Taylor, deputy commissioner, Energy Division, provided a structural overview and discussed policies for the future. She said the key energy issues were related to the presence of more players in the wholesale market, increased mergers and acquisitions, and restructuring and increasing price volatility in the wholesale market. She emphasized the need to promote conservation efforts and modern energy technologies, including wind and solar power.

Assistant Attorney General Thomas Bailey, manager of the Residential Utilities Division, reported on the authority of the Attorney General's Office to represent consumer and business interests in public utility matters, a structure not unique to Minnesota. He said his division was overwhelmed by the recent increase in complaints from consumers. As consumer advocates, he said, the division provides information and community outreach projects, conducts mediation and represents consumer interests in the courts.

Greg Scott, chair of the Public

Utilities Commission (PUC), said that his office "is quasi-legislative and quasi-judicial." The PUC sets rates and regulation of service quality for large local telecommunications carriers and large electric and natural gas companies. Duties also include approving mergers and acquisitions, mediating consumer complaints, approving price cap plans and serving as a Board of Appeals for the Energy Conservation Improvement Program among a myriad of other duties, he said.

## Transportation

### Project streamlining discussed

The Transportation Committee met Tues., Jan. 16, to hear the Department of Transportation's strategic plan and a report on planning, programming and the project development process. Sen. Randy Kelly (DFL-St. Paul), chair of the committee, presided.

Program Delivery Group Director Randy Halvorson and Office of Investment Management Director Al Schenkelberg presented and emphasized certain aspects of the planning, programming and project development process report. The project development process came under intense scrutiny when a flow chart of the process, beginning with the strategic plan and ending with the construction and operation phase was explained by DOT management.

Sen. Dean Johnson (DFL-Willmar) asked the committee if they too, were concerned with "all of this bureaucracy" outlined in the flow chart. Sen. David Johnson (DFL-Bloomington) said, "It concerns me that the process is so confusing." "We need to work with you and the department," he said, "to streamline the system over time."

Sen. Mark Ourada (R-Buffalo) said he shared David Johnson's thoughts and asked for information pertaining to the percentage of the process that is a result of federal requirements. Ourada also pointed to information from two to three years ago regarding percent of administrative cost vs. program and delivery cost. He said it was a 60/40 percent ratio and that the goal should be to flip the numbers. Sen. Roy Terwilliger (R-Edina) said, "There must be a significant number of things the Legislature has required that is adding to the complexity."

Kelly said that the project develop-

ment process needs to be streamlined and asked if there is a particular state or jurisdiction in the world that is considered to have "best practices" in the project development process. Halvorson said the state of Pennsylvania is considered to be a leader and that the department hired a person to lead it through Pennsylvania's process. Following the discussion, he said, there will be consideration given to integrating Pennsylvania's process into our own.

Halvorson also said there are over 35 recommendations in a Dec. 15, 2000 draft streamlining report and the department has already been pursuing ways to streamline the process. He pointed to two examples; the department used consultants for the purchase of "right of way," which was a six week process and is now a 5 day process; and the department used an archeological model that predicts the locations of sensitive archeological sites. He said a savings of \$3 to \$4 million over the last three to four years was realized.

DOT management also addressed the TEA-21 (Transportation Equity Act for the 21st Century) statewide planning factors. The factors include increasing accessibility and mobility for people and for freight and selected state goals such as fostering efficient and integrated movement of freight. Halvorson said freight is particularly important because there has been an 87 percent increase in freight movements domestically and a 133 percent increase in export activity.

During discussions on the funding and planning process, Schenkelberg said \$145 to \$150 million dollars per year is spent on Metro Area projects. Sen. Roy Terwilliger (R-Edina) highlighted the Interstate 35E project and the upcoming Crosstown project as examples of the effect planning and project completion have on drivers and neighborhoods. Quality of life issues need to be addressed, Dean Johnson said, "the Crosstown project should not be done to us but with us." He asked that the commissioner be present Thurs., Jan. 18, when the project will be discussed in detail.

Fred Corrigan of the Minnesota Transportation Alliance addressed the committee regarding the Major Transportation Projects Commission (MPC). A list of the commission members was distributed and Corrigan said he hopes the legislative committees will engage in setting the agenda for the MPC.

# Preview

## Monday, January 22

The Senate will be in session at 11:30 a.m.

### Education Committee

*Chair: Sen. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** University of Minnesota overview, President Mark Yudof; Integration of Early Childhood Care and Education Program and Services Report, Assistant Commissioner Karen Carlson and Cherie Kotilinek, Dept. of Children, Families and Learning; and Legislative Auditor's Report on Early Childhood Education, Joel Alter, Office of the Legislative Auditor.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

2 p.m. Room 15 Capitol.

**Agenda:** S.F. 43-Samuelson: Lowering age requirements and variances for adult foster care license capacity. MA rehabilitation option and targeted case management report. Nursing home case-mix system transition plan. Nursing home closure process and relocation report.

## Tuesday, January 23

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** Overview of the Department of Transportation Design Build concept and overview of the transportation revolving loan fund.

### Joint Senate and House Environment and Natural Resources Committee

*Co-Chairs: Sen. Jane Krentz and Rep. Dennis Ozment*

10:15 a.m. Room 123 Capitol

**Agenda:** Office of Environmental Assistance: 2001 Biennial Report; Department of Administration: procurement and recycling issues; and MN Soft Drink Association & Recycling Association of MN: recycling and public education.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 131-Ring: Relating to the town of Wyoming and city of Chisago City exempting the town and city from a limitation on duration of reimbursement. S.F. 155-Kelly, R.C.: Allowing employees of Ramsey County and the city of St. Paul equal competition for vacant county jobs. S.F. 160-Stumpf: Reimbursements to fire departments for expenses incurred in extinguishing motor vehicle fires.

### Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzger*

2 p.m. Room 15 Capitol

**Agenda:** Home Heating Cost (Continued from Jan. 16th). Department of Commerce - Marya White; Reliant Energy - Minnegasco - Brad Holland, director of customer service; Xcel Energy - Pat Boland, supervisor, Low Income Programs; Utilicorp - John Empson, senior vice president; MN Community Action Assc. - Tarryl Clark, executive director; and Pam Marshall - affordable energy

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget Hearings concerning: State Investment Board, Public Broadcasting, Veterans of Foreign Wars, Military Order of the Purple Heart, and Disabled American Veterans.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Presentation of governor's plan.

## Wednesday, January 24

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

10 a.m. Room 107 Capitol

**Agenda:** Confirmation hearings for Jeffrey L. Olson as commissioner of the Department of Veterans Affairs, Thomas Mullon and Ann Nistler as Minnesota Veterans Homes Board of Directors.

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Overview of DWI Laws. Felony DWI information. S.F. 118-Foley: Lowering from .10 to .08 the per se alcohol concentration level for impairment offenses while driving.

### Jobs, Housing and Community Development Committee

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** Housing Development; incentives/impediments: MN League of Cities, Association of Metropolitan Municipalities, MN Builders' Association, MN Association of Realtors, MN Building Trades Union

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** Overview of governor's budget and tax plan.

### Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Minnesota State Colleges and Universities (MnSCU) overview by Chancellor Morrie Anderson.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

2 p.m. Room 15 Capitol

**Agenda:** Presentation on health care costs, Departments of Health and Commerce.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget hearings concerning: Capitol Area and Architectural Planning Board, Lawful Gambling Control Board, Racing Commission and the Minnesota State Lottery.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Continuation of presentation of governor's plan. Discussion of committee goals and objectives.

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## Thursday, January 25

The Senate will be in session at 9:30  
a.m.

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

1 p.m. Room 123 Capitol

**Agenda:** Governor's 2001 capital budget.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget hearings concerning:  
Department of Finance.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Continuation of presentation of  
governor's plan. Continued discussion of  
committee goals and objectives.

## Friday, January 26

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Legislative Audit Commission

*Chair: Rep. Dan McElroy*

1 p.m. 316 Capitol

**Agenda:** Release and review of program  
evaluation report on District Courts.



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# Senate Briefly

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*A bright sun warms the Capitol building on a cold morning in late January. Photo by David J. Oakes*



January 26, 2001

# Senate Highlights

## DWI bill approved

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.) met Weds., Jan. 24, to consider S.F. 118, a bill carried by Sen. Leo Foley (DFL-Coon Rapids), to lower from 0.10 to 0.08 the alcohol concentration level for impairment offenses while driving. Prior to the presentation of the bill, Senate counsel provided an overview of DWI law. Counsel said that “vehicle” was a broadly-defined term in DWI statutory context, which specifies aircraft, motorboats and off-road recreational vehicles, such as snowmobiles. The law provides dual sanctions, both criminal and administrative, he said. Administrative sanctions may involve revocation of a driver’s license, fines, penalty assessments and vehicle impoundment.

Foley presented S.F. 118 and provided an historical overview of the alcohol concentration standard. He said the Transportation Equity Act for the 21st Century, signed by President Clinton in 1998, required that states must comply with 0.08 impairment sanctions in order to receive incentive grants from the federal government. Foley said Minnesota would lose an additional \$3 million in grants this biennium unless it passed 0.08 legislation.

In the United States, there is an average of one alcohol-related fatality every 30 minutes and one alcohol-related injury every two minutes, according to statistics provided by Mothers Against Drunk Driving (MADD), which he referenced. S.F. 118 lowers the per se (which means “in” or “by itself”) standard for a person’s alcohol concentration from 0.10 to 0.08 in the driving and hunting-while-impaired laws. It also amends the chemical testing laws applicable to those activities, the criminal vehicular homicide and injury law and the law applicable to driving or operating a vehicle or aircraft under the uniform code of military justice to reflect the lower per se standard. The bill also increases the fee for reinstatement of a person’s driver’s license following suspension or disqualification.

Several witnesses testified in favor of S.F. 118, including Sen. David Knutson (R-Burnsville); Lynne Goughler, legislative chairperson and media liaison, MADD; Major Mike Asleson, Minnesota State Patrol; and Dr. Rob Welch, emergency room physician. Those speaking in opposition to the bill included Dennis Dahl, president, Minnesota Licensed Beverage Assn. and Colin Minehart, restaurant owner. Dahl said he disputed the impairment study figures and said the

new law would require that he re-train his staff. He said it was impossible to predict impairment levels since there was so much variation between individual tolerance levels. The burden on restaurant and bar owners was unfair, Dahl said.

Following the testimony, members voted to recommend that S.F. 118 pass and be re-referred to the Health, Human Services and Corrections Budget Division.

Hennepin County Attorney’s Office Senior Attorney Paul Scoggin presented the DWI Task Force Report. The report was mandated during the 2000 Legislative Session to study and make recommendations related to the implementation of a felony-level impaired driving penalty and to create a DWI Working Group. Both the Senate and the House had passed felony DWI provisions during the 2000 Legislative Session, but the bill failed in conference committee because of the high costs associated with treatment, probation and incarceration, according to Scoggin. He said Legislators were concerned that local facilities were already stretched beyond capacity. The task force working group included prosecutors, public defenders, Legislators, county corrections officials and law enforcement officials, among others. They considered issues ranging from the most cost-effective way of dealing with incarceration to the consideration of how other states address repeat impaired driving offenders.

Sen. Randy Kelly (DFL-St. Paul) asked Scoggin whether the Moose Lake facility, which has well over 200 beds, had been considered as a potential site by the working group. Scoggin said the group estimated the need for 200 beds—and that Moose Lake had been considered. The Dept. of Corrections (DOC) Plan for Placement and Supervision of Felony DWI Offenders—a report also mandated by the 2000 Legislature—was presented by Daniel Storkamp, interagency management unit. Benson warned members not to over-react. He said he was aware of a large confinement facility built in Ohio, where officials overestimated the number of offenders that would be sent to prison under their DWI offender law. The facility was built at considerable cost to the state of Ohio, and was designed to house 533 offenders. Currently, the facility houses only 30 DWI offenders, according to Storkamp. He recommended that only felony-level impaired driving offenders be housed in an existing DOC

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medium-security facility, at minimal cost. Treatment costs total approximately \$15 per day, in addition to the housing cost of approximately \$10 per day. Local facilities, he said, are operating at 100 percent capacity and treatment programs at the local level are not aggressive enough. Storkamp said that over half of the fifth-time DWI offenders have other criminal history offenses and the DOC has procedures in place, facilities and programs for dealing with chronic and serious offenders.

Kelly said the report represents a short-term solution. "I've been working in the area of corrections for over 10 years and I can tell you that there are many myths surrounding corrections issues," he said. "For example," said Kelly, "We've often been told that we have the best corrections system in the country, but no studies to that effect were actually done." He said that when the studies were finally done, they concluded that Minnesota had the most expensive system per inmate and a 70 percent recidivism rate, which is equal to the rate for the rest of the country. Kelly added that the Moose Lake facility was originally built to treat chronic DWI offenders.

### **Emergency fuel bill okayed**

The Education Committee met Weds., Jan. 24, to consider a bill providing funding for school districts to pay for the unexpectedly high fuel bills this winter. S.F. 228, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides a one-time \$30 million emergency appropriation to districts for the high costs of heating district buildings and for increased transportation costs.

Sen. Gen Olson (R-Minnetrissa) offered an amendment delaying the payment of the appropriation until the fiscal year 2002. She said the amendment protects the planned rebate from the budget surplus this year. Stumpf argued that the amendment does not get the funds to the districts in a timely manner. He said the bill is an emergency appropriation to districts so that teacher layoffs and programs cuts are not required in order to pay fuel bills. The amendment failed on a 15-10 roll call vote. The bill was approved and re-referred to the Finance Committee.

### **Permanent rules discussed**

Members of the Rules and Administration Subcommittee on Permanent and

Joint Rules met Thurs., Jan. 25, to begin work on the permanent rules under which the Senate will operate for the biennium. The panel, chaired by Sen. John Hottinger (DFL-Mankato), began working from a draft of the rules that was adopted last biennium. The draft reorganizes and rennumbers the Senate Rules without making major substantive changes.

Discussion in the subcommittee centered on a series of amendments brought forth by several Senators. The panel adopted two amendments at the outset that were presented by Sen. Don Betzold (DFL-Fridley). Betzold had originally brought the reorganized and renumbered rules to the subcommittee last biennium. The amendments were either technical in nature or reflected changing technology in recording the proceedings of the Senate.

An amendment, brought to the panel by Sen. Mark Ourada (R-Buffalo), requires the daily Senate sessions to adjourn if a standing committee is scheduled to meet following the daily session. Ourada said the amendment was designed to be more considerate of public participation at committee hearings. Several subcommittee members, though, pointed out that extending floor sessions was often unavoidable and that the rights of minority caucuses could be abridged by implementing the amendment. The amendment was not acted upon.

Considerable debate arose over an amendment offered by Sen. Dennis Frederickson (R-New Ulm). The amendment requires that all bills appropriating money or obligating the state to pay or expend money, including education bills, be referred before passage to the Finance Committee. The Senate's reorganization after the November 2000 election had specified that the E-12 education budget bill and the higher education budget bill be referred to the Education Committee. Under the reorganization, the bills were not required to be referred to the Finance Committee. Frederickson said that it was important that one committee have a complete picture of the entire state budget and that not requiring the education bills to be referred to the Finance Committee omitted half of the budget from the big picture. Education Committee Chair Sandra Pappas (DFL-St. Paul) said that it was more appropriate for the bills to be reviewed by the Education Committee prior to going to the floor because Educa-

tion Committee members were more familiar with the issues involved and because policy and funding are so tightly interwoven in the education bills. Sen. Don Samuelson (DFL-Brainerd) said, "It only makes sense, though, for one committee to have the entire budget picture." Members adopted the amendment on a voice vote.

A second amendment generating debate was brought before the panel by Sen. John Marty (DFL-Roseville). The amendment requires the Senate to adopt a budget resolution setting targets for revenues to and expenditures from the general fund for the fiscal biennium, an amount to be set aside as a budget reserve and cash flow account and targets for revenue changes and appropriations in each of the omnibus tax and appropriation bills. Sen. Roger Moe (DFL-Erskine) offered another amendment dealing with the same topic. Moe's amendment requires that within 30 days after the last revenue and expenditure forecast becomes available and after receiving the Tax Committee recommendation on the maximum limit on revenues, the Committee on Finance must adopt and report to the Senate a budget resolution. Further, the amendment specifies that the budget resolution must set the maximum limit on revenues and net appropriations for the next biennium and an amount to be set aside as a budget reserve and a cash flow account. In addition, the amendment specifies that within 14 days after the adoption of the budget resolution, the Finance Committee must adopt limits for each major appropriation bill. Finally, the amendment specifies that after adopting the resolution an amendment to a bill is out of order if it would cause any of the limits to be exceeded.

Moe said that the amendment is a more detailed version of the idea encompassed in the Marty amendment. Once we set the parameters, then we must live with the process, he said. "The amendment provides more discipline," Moe said. The amendment was adopted.

### **Brief floor sessions held**

Members of the Senate met for very brief floor sessions Mon., Jan. 22 and Thurs., Jan. 25. Early in the Legislative Session, the primary function of the floor sessions is for the introduction of bills and facilitating the movement of bills between committees.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Commissioner okayed

The Agriculture, General Legislation and Veterans Affairs Committee met Weds., Jan. 24, to recommend the confirmation of three veterans affairs appointees. Jeffrey Olson was approved as the commissioner of the Dept. of Veterans Affairs and Thomas Mullon and Ann Nistler were approved for the Minnesota Veterans Home Board of Directors. Committee Chair Steve Murphy (DFL-Red Wing) presided.

Olson outlined his background for the committee. He served three years in the army, worked with University of Minnesota veterans training programs, and served as Deputy Commissioner of Veterans Affairs for the past 17 years, he said. Olson also cited extensive involvement with numerous veterans organizations, including the VFW and American Legion. He stated, "I don't see politics when I serve veterans."

He promised to err on the side of veterans in cases where eligibility was unclear and praised the agency's "committed, happy" staff. Murphy commended the agency for the effective way it serves veterans and cited his own experience, when the agency was very efficient in helping him secure education benefits. Nistler called veterans her "passion," particularly women veterans. Her background is in nursing, she said. Nistler said she served in the Operation Desert Storm and currently works with patients at the VA Medical Center in St. Cloud.

Mullon served most recently as administrator of the Veterans Home in Minneapolis and has occupied numerous positions in veterans health care with the U.S. Dept. of Veterans Affairs. His military experience was with the army in Vietnam. He stated he is "happy to be back in the crowd of people who find a way to serve veterans."

Sen. Jim Vickerman (DFL-Tracy) said he wanted to make sure veterans in Minnesota have the "best place and the best care" and asked Nistler and Mullon several questions about the condition of facilities in Minnesota and the adequacy of their funding. Mullon replied that the Minneapolis facility project is "moving well toward completion" and thanked

Senators for their support of veterans health care. Facilities throughout Minnesota are in good shape, he said, but operating budgets might be an area for concern.

## Capital Investment Committee

### Debt management discussed

The Capital Investment Committee assembled for the first time Thurs., Jan. 18, and heard Deputy Commissioner Peter Sausen present the Department of Finance's debt management policy. Sen. Keith Langseth (DFL-Glyndon) chaired the committee.

Sausen said Minnesota is one of only nine states to earn three AAA ratings from all three major lend rating agencies and the state has done so for the past four years. The outstanding rating allows the state to sell bonds with higher yield rates, making them more attractive to investors, and a more sound investment for the state, he said.

Sausen said Minnesota's high rating was determined by four main factors: the state's financial management, economic vitality, tax burden and debt burden. The state's financial management, the responsibility of the Department of Finance, is strong due to the governor's responsible budget proposals and the Legislature's reasonable appropriations, he said. According to Sausen, the state has superior economic vitality because of its "broadly diversified economy," and the state tax burden, although large, does not play a large factor in rate determinations. He said that although Minnesota has \$2.6 billion of general obligation bonds outstanding, the highest amount in the state's history, the state's debt is shrinking in relation to rising personal income.

Sausen said the Legislature should heed the Department of Finance guidelines to keep general obligation debt below 2.5 percent of the state's personal income, limiting state agency debt to 3.5 percent of personal income, and restricting the total amount of state debt to five percent of state personal income. According to Sausen, in recent years the state has stayed well within these guidelines.

He also advised the Legislature to authorize "quality projects where there is a real need" as well as projects that are well prepared because "a project that is

approved but not ready to go is taking the place of a more worthy project." He said that the current \$1.2 billion general fund appropriation for debt service is too large. "I don't think that there are enough high quality projects to fill that long list," he said and predicted that the governor's budget proposal would offer a more conservative appropriation.

## Crime Prevention

### Sex offender issues heard

The Crime Prevention Committee met Fri., Jan. 19, to hear an update on issues related to the sex offender population. The issues discussed included the registration and notification process, civil commitment, release and continuing treatment for offenders.

Vice chair Leo Foley (DFL-Coon Rapids) chaired the meeting in Sen. Jane Ranum's (DFL-Mpls.) absence. He introduced the Dept. of Corrections (DOC) Sex Offender/Chemical Services Unit Director Steve Huot, who gave an overview of violent sex-crime trends, reactions, programs and legislation leading up to the present. Huot told members that adult felony sex offense convictions experienced an upward trend, peaking around 1994, before beginning a steady, unexplained decline. In 1992, 262 sex offenders were released from correctional facilities in Minnesota.

A follow-up recidivism study indicated that offenders who were provided treatment services while in prison were significantly less likely to re-offend, according to Huot. He said that of those who entered treatment, but who did not complete the program—and of those who refused treatment altogether—41 percent were re-arrested. Treatment in prison involves having offenders delve into their histories in order to recognize patterns of behavior that triggered their offenses, said Huot. Offenders are then encouraged to acknowledge and change distorted ways of thinking.

In response to Huot's description of treatment practices, Sen. Don Betzold (DFL-Fridley) said, "Isn't that putting offenders in a Catch-22 position?" He said that since treatment policy involves disclosure that can incriminate offenders—getting them to divulge instances of crimes committed that they had not been convicted of—it probably discourages them from entering into treatment programs.

Huot said it was problematic for many offenders to come forward with their histories, since their records could be exposed by court order, but that in many cases offenders are successfully encouraged to participate, despite warnings about the potential risks. The goal is for offenders to be able to identify when they are likely to re-offend, Huot said.

Sen. Satveer Chaudhary (DFL-Fridley) asked Huot, “What happens to those who refuse treatment?” Huot said that usually their probation is revoked, and for those already in prison, release dates are postponed for up to 150 days.

DOCC Community Notification Coordinator Will Alexander focused his presentation on the process of sex offender registration and notification since the mid 1990’s. He said that risk assessments were in use as a sex offender screening tool since 1996, but that assessments were not conducted until the end of a prisoner’s sentence. It made more sense, he said, to change policy so that offenders were assessed upon beginning a sentence, to allow enough time for offenders to agree to and complete the 18-month treatment program. Huot said the department is in the process of screening the entire sex offender conviction population to evaluate for civil commitment referral. Alexander said that 660 offenders on probation are treated each year, and those on supervised release are provided a less comprehensive treatment, due to insufficient funding.

Alexander said he was concerned about discovering so many deferred adjudications, which may account for the statistical decline in the felony sex offense convictions, as earlier reported by Huot. In answer to Sen. Thomas Neville’s (R-Northfield) question about the number of stayed adjudications, Alexander said they were mainly because interfamilial and other types of offenses are not subject to registration—and are treated differently.

Special Agent for the Bureau of Criminal Apprehension Stephanie Goode was asked by Foley to comment in regard to offenders complying with registration requirements. Goode said her agency had been inundated with requests for change of address forms by offenders, since non-compliance became a felony offense as a result of last year’s legislation.

## Education

### Yudof addresses funding concerns

The Education Committee was called to order by Chair Sandra Pappas (DFL-St. Paul). An overview of the University of Minnesota was presented by President Mark Yudof. The overview discussed a systemic funding deficit and the medical school’s decline.

Yudof said that 40 percent of the University’s funding is allocated by the state, 15 percent through tuition and the remaining 45 percent is attained through non-state sources such as grants, which are highly restricted. He said the University grants 11,000 degrees per year, has 59,000 students, and encompasses 22 million square feet of space.

In the area of research, Yudof said, “In 2000 the University had, not a good year, but a great year,” with 59 patents and 439 licenses to its credit. He said \$455 million was awarded in research grants, a 25 percent increase over last year. In research, he said, the University ranked 15th among all universities across the country and fourth in the Big Ten schools. Sen. Jane Ranum (DFL-Mpls.) said Minnesota’s ranking was viewed as higher in the 1960’s and 1970’s. Sen. Leonard Price (DFL-Woodbury) said, “What, besides money, could we do to reinstate the University of Minnesota to its former prominence?” Yudof said three things needed to be addressed. First, a solution to the \$8 million systemic budget deficit must be found. Second, an expansion of departments in targeted areas needs to take place. Lastly, an increase in production of the health care workforce, which he said is in “crisis,” must occur. Yudof said there has been a gradual decline in the University’s ranking over time because departments got too small and the medical school has been declining. He said all medical schools are in trouble. “It’s a buyer’s market,” said Yudof. “My task is to hire 12 new professors per year for eight years. If we do this, we have a real chance to pull ahead,” he said.

Sen. Michele Bachmann (R-Stillwater) said, “It’s a matter of pride in our state. We still want to see the University as a strong, viable entity.” She asked how the Legislature could assist in restoring the University’s medical school to its top-ranked status. Yudof said, the University is at a critical stage. “The one plea I would make is “just get us out of the

systemic \$8 million budget deficit,” he said.

The Legislative Auditor’s Report on Early Childhood Education was presented by Joel Alter of the auditor’s office. Alter covered the School Readiness and Head Start programs, and outlined costs, funding, recommendations and conclusions. He said all but six school districts have School Readiness programs which target children ages 3 1/2 to 5 years of age and give priority to at-risk children. Head Start targets 3 to 5 year olds and 90 percent of its participants must have family incomes below the poverty line. He said the state funds \$10 million per year and the cost per participant averages anywhere from less than \$500 (ECFE, School Readiness) to more than \$5,000 (Head Start). Cost differences largely reflect service scope and intensity, he said. Minnesota’s funding for Head Start, Alter said, is comparatively generous while its funding for School Readiness is modest. There is no School Readiness reserve fund, Alter said, and it is recommended that the Legislature establish one. He said that the study’s recommendations for Head Start are four-fold. The study recommends that the program base more of state fund allocations on unmet needs and determine state-funded slots based on proposed services and costs, not federal per-child rates. In addition, the study recommends that the program authorize additional agencies to be eligible for innovative grants and broaden eligibility criteria for state Head Start funds.

Assistant Commissioner Karen Carlson and Cherie Kotilneck of the Department of Children, Learning and Families presented the department’s plan for integration of early childhood care and education programs and services. First, Carlson said that the department generally agrees that the auditor’s report was a fair assessment on ECF programs.

In regards to the department’s presentation, Carlson said the goal of an integrated system is to insure that Minnesota’s children are prepared for school success. Currently, she said, the department can’t determine who gets what services—some children receive duplicate services from multiple programs and some children receive no services at all. Additionally, she said, there are few ways the state can be accountable for children’s progress—policymakers need to be able to track outcomes to assure the public that dollars

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invested in early childhood care and education yield the desired outcomes. Lastly, she said, new research on brain development underscores the importance of the early years. The research found that how individuals function as adults depends in large measure on how brains developed as babies. Further findings showed that by the time a child is three years old, the brains "hard wiring" has already shaped that child's ability to learn and regulate emotions, Carlson said.

Carlson said she thinks there are communities ready to go with the integration process. The hope of the department, she said, is that a demonstration period involving these communities will result in shared best practices. Sen. Martha Robertson (R-Minnetonka) said she supports the concept of integration, but wants to know what assurance there is that dollars will flow to the intended children. She said that creating a "one-stop shop," by coordinating and integrating services, means the department needs to make certain services and choices are offered without mandating parental choice.

Sen. Arlene Lesewski (R-Marshall) asked where the department was with regard to federal dollars that come into the state and asked how restrictions put on federal dollars will mesh with integration. Carlson said they would maintain requirements, and help local communities pursue federal waivers if they wish. Robertson asked if there were budget recommendations with the report. Carlson said that budget recommendations are in draft form and the committee would receive them shortly.

## E-12 Education Budget Division

### Emergency fuel funding bill heard

The E-12 Education Budget Division was called to order by Chair LeRoy Stumpf (DFL-Thief River Falls), Weds., Jan. 24, in order to discuss an emergency school fuel funding bill. Stumpf said the purpose of the bill, S.F. 228, is to provide emergency funding to school districts for unanticipated large fuel bills this winter. The measure carries an appropriation of \$30 million from the general fund, he said. He said the bill provides for a 97 percent reimbursement of the amount billed that

was above the budgeted amount. The amount to be reimbursed was arrived at through a survey that each district completed.

The survey asked for dollar amounts by district for the budget increase of 2000-2001 for energy costs, the increase above budget for energy costs and the transportation cost increase for 2000-2001. Sixty-eight percent of districts have responded thus far and it is anticipated that the remaining school districts will have their information available shortly.

Stumpf also offered an amendment requiring the Department of Children, Families and Learning (CFL) to certify the actual heating fuel costs for school facilities and student transportation for each school district for the 2001/2001 school year and to recalculate the reimbursement amount based on actual costs. Further, the department is required to adjust general education aid paid to school districts for fiscal year 2003 by the amount of the difference between the estimated calculation and the actual costs. The amendment also provides for program administration expenditures. The amendment was adopted.

Stumpf also offered an amendment, which was adopted, to set Feb. 28, rather than Jan. 31, as the date by which certification of fuel costs must take place. Stumpf said the purpose of dealing with this bill promptly is because districts need to pay their fuel bills. Bob Meeks, Minnesota School Board Association, spoke in support of the bill. He said the bill is an attempt to get monies into the district before the next fiscal year. If the bill doesn't pass, he said, teacher layoffs would be necessary to pay the \$30 million.

Sen. Gen Olson (R-Minnetrista) offered an amendment to the bill. She said the amendment protects the current FY 01 surplus for a rebate which has already been promised to taxpayers. In addition, she said, the amendment delays reimbursing school districts until FY 02 because the actual fuel costs will not be known until they are received by districts.

Stumpf said he thinks it is appropriate to get the money out as fast as possible and to let the public know that rebates will be reduced to pay for the emergency fuel funding for school districts. Meeks said that under Olson's amendment the fuel bills would not be paid now; they would be paid later. Pappas said that this is an emergency expenditure for districts and

would only cost five cents per day per family to ensure students are transported and taught in a warm environment. Sen. Kenric Scheevel (R-Preston) said he thinks the state should let districts use their budget reserves to pay for higher than anticipated fuel costs and then issue reimbursements.

Stumpf said that some districts have reserves but some do not. Meeks said that he doesn't come to the legislature asking for emergency funds often. "I'm speaking for school boards, if we have to wait until July for money, there will be unrequested teacher leaves," he said. "We are asking you to work with us on this funding," he said, "so that we don't have to put our communities through this." The amendment was not adopted. The bill was approved and advanced to the full Education Committee.

CFL Commissioner Christine Jax along with Tom Melcher, CFL program director, outlined the governor's education plan. Jax said the Governor's proposal included an increase in the education budget, but the most significant change, she said, is in the funding source. Last year, she said, 31 percent of the budget was funded through property taxes and 69 percent through state aid. This year's proposal requests that 15 percent of the budget be paid through property taxes and 85 percent through state aid, said Jax. She also said that the governor wants citizens to know that their elected officials are responsible for education funding by seeing the amount designated for school funding on their tax statements and not just included in their property tax information.

Also included in the governor's proposal, said Jax is an equalization factor built in to the dollar amount of state aid per pupil which will make it easier for school districts to pass referendums by raising the amount of money the state funds per pupil from \$415 per pupil to \$600 per pupil. Jax said that this would help equalize the educational funding difference between high wealth districts and low wealth districts. Sen. Ann Rest (DFL-New Hope) asked if the governor's proposal included a cap on referendum revenue and Melcher said the proposal calls for the cap to increase from \$991.00 to \$1,115.00. He also said that the 25 percent formula allowance is maintained. Stumpf said that Melcher would return for the January 31 meeting.

## Higher Education Budget Division

### MnSCU programs reviewed

Minnesota State Colleges and Universities Chancellor Morrie Anderson presented an overview of MnSCU programs to the Higher Education Budget Division Weds., Jan. 24. Division Chair Deanna Wiener (DFL-Eagan) said the division had assembled to “get an idea of how MnSCU is doing with past appropriations.”

Anderson said the increased capacity of MnSCU’s technological infrastructure was one of MnSCU’s great success stories. MnSCU leveraged \$5 million the Legislative appropriated for the technological revamping of programs and equipment to get \$17 million from industrial sources.

“We essentially turned \$5 million into \$22 million. We are no longer teaching industrial technology classes with World War I era drill presses,” said Anderson.

He also said the governor’s budget included \$7 million to aid MnSCU in establishing more business partnerships to better address workforce needs. “We are a workforce entity,” he said. According to Anderson, more than 27,000 MnSCU graduates enter the workforce every year.

He also said MnSCU had developed a degree audit reporting system, “which allows students to log-on and assess at any point in time where they are in the progress toward their degree.” Virtual University and ISEEK Web sites, which provide online MnSCU academic advising and educational programs, receive 3 million hits every month, said Anderson. When discussing the wide range

of MnSCU campuses across the state, he said, “MnSCU is not just about geographical access, but also access in terms of affordability and technology.”

Three students testified about their experiences in the MnSCU system. David Broer, an architecture student at St. Paul Technical College, said his education was a very positive experience and that he enjoyed learning with a diverse student population from all over the world. Anderson said that 9.9 percent of MnSCU students were people of color, 3.3 points higher than the state population. “MnSCU’s policy on diversity is not just about tolerating diversity,” he said, “It’s about encompassing, embracing, and encouraging diversity.”

Berishia Chamberlin, a single mother, full-time paramedic and student at North Hennepin Community College, said she



Members of the Environment and Natural Resources Committee listen to testimony during a committee hearing.

Photo by David J. Oakes

# Committee update

was impressed by the flexibility of professors who created courses to help her explore her interest in domestic violence issues. However, she said, "I have had classes canceled that I will eventually need to take." Anderson said classes have had to be canceled due to lack of student interest, resources, or faculty. Chamberlin said that she works 60 to 70 hours a week to earn her way through school while supporting her family but does not qualify for financial aid. "Without financial stresses," she said, "I think students have a better chance for success."

Alfred Wright Sr., a student at Metropolitan State University who is studying communications and hoping to become a teacher, said, "MnSCU brings together traditional and untraditional students."

## Environment and Natural Resources

### DNR overview heard

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), met Thurs., Jan. 18, for an overview of Department of Natural Resources (DNR) programs. DNR Deputy Commissioner Steve Morse gave a 2001 progress report, Commissioner Allen Garber presented a specific plan for forest management, and Senators asked a variety of questions related to the DNR.

Morse's report addressed environmental issues related to forests, water resources, urban areas, agriculture and recreation. Morse focused the most attention on forests. He said there is an increased demand on forests for both timber harvesting and recreational use. The DNR, he said, hopes to bring 50 percent of new industrial private forest lands under stewardship programs and also plans to protect 27,000 acres of old-growth forest by 2002, up from the current figure of 23,000 acres. Morse also mentioned programs to increase white pine acreage, monitor biodiversity by studying bird populations, and promote clear-cutting with reserves, which leaves uncut "islands" that lessen the environmental impact of timber harvesting.

In urban areas, Morse said, the DNR will try to give local communities the expertise to deal wisely with population increases and development projects by

providing information and technical assistance to local governments. Lake quality, Morse continued, is particularly important to Minnesotans. The DNR, he said, will work to decrease "hard-engineering" solutions to lakeshore management, and also restore streams that were once channelized for better drainage, so that they are a better habitat for wildlife. With respect to agriculture, Morse continued, the DNR continues its efforts to help threatened prairie species and manage soil erosion into lakes and streams. In the area of recreation, Morse stated, the DNR reports increasing use of public lands, but 96 percent of users remain satisfied with their experience. The DNR works to promote successful walleye fishing and hunting of deer, ducks and turkeys, Morse said. He concluded that the overall state pattern is toward increased use of Minnesota's environmental resources, as evidenced by 62,000 visits per day to the DNR web site.

Garber then explained a forest management proposal that shifts logging away from short-rotation aspen forests to longer-lived conifers. Both the paper industry and conservation groups are in favor of the move, and Garber said, "in all these controversial issues if you find common ground that's what you need to work on." Garber said the department wants to create a demonstration forest to showcase the management principles he advocates. Sen. Dennis Frederickson (R-New Ulm) asked if the state could maintain the timber supply during the transition to conifers. Garber said that hybrid poplar would be used as a bridge during the change.

Senators had a variety of questions for both Morse and Garber. Sen. Gen Olson (R-Minnetrista) suggested that large lots around private homes preserve more forest area than concentrated development. Morse answered that in general it is better to avoid such fragmentation, but not necessarily in all cases. Frederickson asked how electronic licensing has been accepted, and Morse said it has worked very well. Sen. Pat Pariseau (R-Farmington) asked about the trend in the amount of DNR-managed land available for recreation, in particular for hunting. Morse answered that more and more land is available for recreation, and the DNR is committed to opening land for hunting. Sen. Lawrence Pogemiller (DFL-Mpls.) stated that he felt the "agency is set up for

last century, not this century," and suggested flattening of the organizational structure might help streamline service. Garber said he had devoted a lot of energy to making the agency run efficiently. Finally, Sen. Tony Kinkel (DFL-Park Rapids) said he was concerned about conflicts over recreational use of land up north. For example, fistfights had erupted over the use of deer stands on public land.

## Finance

### Response to governor's spending proposal

Commissioner Pamela Wheelock of the Department of Finance presented the governor's spending proposals to the Finance Committee Tues., Jan. 23. Assistant Commissioner Jenny Engh of the Department of Revenue was also on hand to answer questions about the administration's tax proposals. Committee Chair Douglas Johnson (DFL-Tower) presided.

Wheelock said the basic principles of the governor's proposal were to take no more in taxes than is needed and focus on supporting current programs rather than developing new ones. Reallocation, she said, is the primary method used to increase funding for high priority programs, and the "price of government" is projected to drop from 16.3 cents per dollar in FY 2001 to 15.6 cents per dollar in FY 2005. Wheelock then outlined how the governor plans to allocate a 5.4 percent increase in spending. About \$260 million addresses wage/benefit pressures for state employees, educators and long-term care providers; \$50 million goes to expand children's health care and reduce health disparities among minority populations; \$22 million goes toward reducing teen pregnancy; \$60 million is targeted for workforce development, including financial aid and teacher incentives; and \$103 million goes toward technology in government infrastructure and criminal justice information systems, Wheelock said. The budget leaves an excess of \$100 million each year, she added, and also proposes campaign finance reform, a single legislative session per biennium and a clean-up of the Minnesota River.

Douglas Johnson, saying he wanted to compare "apples to apples," asked for clarification on some statistics. In answer to his questions, Wheelock said that if



property tax reform is taken into consideration, spending grows by 11 percent. Also, increased telecommunications spending is not reflected in that figure because it is made an explicit subsidy rather than being included in the general fund, she said. However, Wheelock pointed out that all spending increases are taken into consideration in computing the “price of government” figure.

Sen. Dennis Frederickson (R-New Ulm) asked about the specific procedure the governor would use to implement his budget proposal. Wheelock said the administration would prepare a “package of language” that Senators could use to put together bills, since the governor doesn’t have a large caucus to carry his own bills. Frederickson and Sen. Pat Pariseau (R-Farmington) both said it might be helpful to have policy changes in bill form.

Sen. Richard Cohen (DFL-St. Paul) expressed concern about the fact that there are no details of the capital budget in the proposal. He said that, if the Legislature follows the governor’s proposal to adjourn sine die at the end of this session, that would “break faith with a significant part of the state,” since regional governments did not know they needed to submit bonding requests in 2000. Wheelock said she didn’t agree that anyone was excluded; the administration’s policy was to “focus on asset preservation” rather than soliciting new building requests. Cohen also questioned the governor’s decision to provide only half of the funding requested for the University of Minnesota Academic Health Center, which promotes education of health care professionals. Cohen said he found it unwise to provide more money for financial aid to attend an “increasingly mediocre institution.” Wheelock said it was absolutely not true that the governor is not taking care of current commitments.

Douglas Johnson then asked about the balance of funding for bonding requests, saying the budget is “really slim on Greater Minnesota.” Sen. Keith Langseth (DFL-Glyndon) agreed that it seems the “governor doesn’t think there should be another new building in all the campuses of Greater Minnesota.” Wheelock said a closer look at the proposals would show that, with the exception of commuter rail, investment occurs primarily in Greater Minnesota. Sen. David Johnson (DFL-Bloomington) said that Senators should also consider whether institutions have waited their turn for funding; in the Metro

Area, Normandale Community College, he said, has waited 10 to 15 years to get funding for its project.

Sen. Jane Krentz (DFL-May Township) said the budget gave the DNR zero funding for several projects. Wheelock said that, while the governor is not recommending any expansion, he fully supports the Conservation Reserve Enhancement Program (CREP), which works with farmers to promote water quality.

Sen. Jane Ranum (DFL-Mpls.) said she was concerned that Metro Area residents will pay too much property tax under the budget plan, because local governments would have increased levy authority for transportation projects. Wheelock said that while that is true, there will still be overall property tax relief.

Sen. Linda Berglin (DFL-Mpls.) asked about funding for the Health Care Access Fund. Wheelock said the governor plans to eliminate the provider tax increase and deposit 85 percent of the cigarette tax in the fund. Berglin said this “doesn’t seem like a wise financing method” since the cigarette tax is not a growth tax. The governor’s plan, she said, eliminates the link between increased expenditures and increased funding, and health organizations, not consumers, would benefit from a lower tax on prescription drugs. Wheelock said that health care funding is a complicated area, and the governor wants to eliminate objectionable taxes while preserving the integrity of programs.

Sen. Leonard Price (DFL-Woodbury) said the governor’s threat to veto bills unless the Legislature adjourns sine die is a bad idea since it risks losing federal funding for programs like CREP. Wheelock said the administration proposes \$50 million in off-year emergency funding.

Assistant Commissioner Jenny Engh then answered Senators’ questions about the tax proposals in the budget. Sen. Satveer Chaudhary (DFL-Fridley) asked which services will be taxed, and Engh answered that the approach would be to tax everything with certain exceptions, as is the practice with taxing goods. Ranum asked whether broadening the sales tax would drive away service providers. Engh said the tax is destination-based, so it depends on the location of the consumer. Douglas Johnson said he “has a feeling [the proposed budget] makes the system less fair,” but Engh said it was

balanced. Finally, David Johnson said he was concerned about housing becoming less affordable as a result of the tax on services since consumers can never enjoy property tax relief if they can’t afford a house in the first place.

## Health, Human Services and Corrections Budget Division

### Health care taxes reviewed

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Thurs., Jan. 18, to hear presentations on provider surcharges and intergovernmental transfers and to hear testimony from speakers in the health care industry.

Berglin convened the meeting with the message that the purpose of the gathering was to provide an educational overview. She said the topic of health care taxes was a complex one that deserved review.

Senate Legislative Analyst David Giel provided background information on provider surcharges that are collected by the state from hospitals, nursing homes, and HMOs. He also included information on intergovernmental transfers (IGTs), which are payments made to the state from local government units. Giel said the provider surcharges and IGTs benefit Minnesota by providing deposits to the general fund that can be used to match federal Medicaid (MA) dollars, which, in turn, increase the provision of medical services to needy individuals without a matching increase in state spending.

In his report, Giel said that surcharges are collected from licensed nursing homes, based on the number of licensed beds, and from hospitals and HMOs, based on their revenues. IGTs are collected from local units of government, such as Hennepin County, the University of Minnesota, and all counties in Minnesota that operate nursing homes. Giel said the process (assuming a 50 percent split in the state and federal share of Medicaid spending) works as follows: the health care provider pays the surcharge or IGT, which goes into the general fund; the state repays the provider a matching amount through enhanced Medicaid payments—composed of half state money and half federal money—then the state increases other Medicaid spending by enough to cover the amount the health care provider was

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charged. According to Giel, the net impact is that providers have contributed to surcharge or IGT payments, but have been reimbursed for those costs. Medicaid spending has been increased by that amount at no cost to the state budget and the federal government has contributed an additional amount (equal to what the provider was charged) to the state's Medicaid Program. Under current law, the state is prohibited from directly reimbursing providers for their surcharge payments, although Minnesota attempts to reimburse the payments through a variety of indirect MA spending increases. Giel reported that whether a particular provider receives 100 percent payback on its surcharge payments depends on a number of factors, the foremost of which is the percentage of the provider's business that involves MA clients because repayment is made through MA enhancements.

Giel provided an historical perspective describing the series of events affecting surcharge and IGT formulas since programs were implemented during a budget crisis in 1991. The federal Healthcare Financing Administration (HCFA) and Congress intervened and imposed rules that limited the surcharge and IGT programs. Specifically, the new rules required surcharges to be "broad-based" and it prohibited "hold harmless" provisions. The Minnesota program failed on both counts, according to Giel's report. Over time, the Legislature modified state programs to comply with federal regulations. HCFA, responding to abuses in programs (not necessarily in Minnesota) instated Upper Payment Limits (UPLs), which prohibit state Medicaid programs from reimbursing providers more than they would have received for the same services from the federal Medicare Programs. Other limits were imposed by Congress and HCFA, and the most recent changes make it more difficult for privately-run hospitals to operate IGT programs. Large public hospitals would like to enhance payments they receive to help offset their uncompensated care costs. Currently, the Dept. of Human Services (DHS) is providing technical assistance to help determine if there is any room, given the DHS limits, the charge limits, and the upper payment limits, for consideration of surcharge or IGT modifications, Giel said.

Falls Memorial Hospital Administrator Mary Klimp told the panel that repealing the MinnesotaCare tax and

surcharge would help to keep the hospital viable financially. She said Falls Memorial Hospital is a 49-bed acute-care hospital that serves a large area. Many of the patients in need of emergency services would die, she said, if they had to drive the 100-mile trip to the next nearest hospital, should Falls Memorial close. The hospital has already discontinued many of the services it once provided due to untenable costs associated with maintaining those services. According to Klimp, repealing the MinnesotaCare tax—the state subsidized program that covers many uninsured children and adults—might make it possible for the hospital to stabilize financially.

Sen. Becky Lourey (DFL-Kerrick) said that when legislators began working on the surcharge policies, the original intent was to sustain small hospitals that might be overburdened by the additional taxes.

Minnesota Hospital and Health Care Partnership CEO Bruce Reuben told the panel that the rules have changed dramatically since the tax programs were implemented and many hospitals face hardships due to competitive disadvantages. Michael Scandrett, executive director of the Minnesota Council of Health Plans, provided statistics showing that 6.86 percent of individual policyholders and small employers' premiums go toward health care taxes. He said that in the last decade the MA Surcharge, Insurance Premium Tax, MinnesotaCare Premium Tax, Minnesota Comprehensive Health Association (MCHA), MA Surcharge and the Provider Tax have all been implemented.

Mayo Clinic and Mayo Health System Director of State Government Relations Frank Iossi said that the Mayo Clinic pays approximately \$5 million annually in the Medicaid Surcharge alone. According to Iossi, Mayo pays 14 percent of all Minnesota's healthcare taxes, which reduces the amount of money available for medical research and for training doctors and medical staff. Iossi said he would like to see all health taxes repealed, particularly the Medicaid Surcharge.

Co-chair of the Intergovernmental Relations Committee Peter McLaughlin provided information concerning the broad range of services available at Hennepin County Medical Center (HCMC), including emergency services to anyone in need of help, regardless of compensation status. He said that 73,521

patients visit HCMC for services each year from 77 different Minnesota Counties and other states—and that \$1.5 million was "written off" by HCMC as non-Minnesota uncompensated care. Federal spending cuts have meant a reduction of \$6.4 million in HCMC revenues and another reduction of \$4.6 million from Medicaid is anticipated, compromising the availability of future services, he said. McLaughlin said there are new opportunities to improve arrangements between health care providers and government under the new federal regulations—and that he and others were working on a proposal for Legislators to consider for the new session.

## Health and Family Security

### Foster care bill heard

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples) met Mon., Jan. 22, to consider S.F. 43, a bill carried by Sen. Don Samuelson (DFL-Brainerd), and to review reports from the Departments of Human Services (DHS) and Health.

Samuelson told members that S.F. 43 lowers age requirements and allows variances for adult foster care licensing. Under current law, a person must be 60 years old or older to qualify for admission into a licensed adult foster care home. Adult foster care providers are limited to a five-patient capacity. Samuelson's bill allows the commissioner to grant a variance so an adult foster care provider can admit an individual who is under age 55.

Samuelson introduced Congressman William Luther, who also supports the bill. They, in turn introduced constituents who explained the need for changing the law to accommodate those in need of full-time care but who fell under the age requirement of 60 who wished to remain in a home-like setting. Luther said he considered the issue one of urgency and recommended that the changes be made effective July 1, 2001. An amendment to that effect was offered and adopted.

Sen. Dan Stevens (R-Mora) asked why adult foster care homes were limited to a capacity of five residents. Jerry Kerber, Dept. of Human Services director of licensing, said it was a standard set by the department as a way to delineate between foster homes and modular institutions. Stevens suggested that the number be raised to six.

Sen. Linda Higgins (DFL-Mpls.) questioned where stroke victims, accident victims and others needing health care services who didn't meet the age requirements for adult foster care homes went. She suggested that age limits be removed. Kerber said there were other care facilities for younger age groups, and that S.F. 43 did allow for variances. Members voted to recommend S.F. 43 to pass as amended.

DHS Mental Health Division, Director Sharon Autio presented the Medicaid Rehabilitation Option Report. The purpose of the report was to inform the Legislature on the feasibility of including additional services under the Medicaid Rehabilitation Option for adults

with mental illness or other debilitating conditions. According to Autio, one option under Medicaid (MA) funds a broad range of services that allows greater flexibility in terms of where and by whom services are provided. Currently, services covered under the Rehabilitation Option include day treatment for children and adults, family community support for children and crisis intervention/stabilization for children. Autio said studies indicated a significant need for expanded mental health services under the rehabilitation option and that services should be targeted to reach those with serious mental illness, co-occurring mental health/chemical dependency diagnoses, and

traumatic brain injury. The report made recommendations to include additional adult rehabilitation services, such as skills training, medical monitoring and crisis services. It also recommended that a mental health rehabilitation worker be added to the list of current qualified MA mental health providers.

The remainder of the meeting was taken up with an overview of the Nursing Facility Case Mix Transition Report, presented by Bob Held, director, Continuing Care for the Elderly Division, DHS. Held said the case mix system has an impact on equity for consumers, but that "the main point is that it reduces paperwork." A federal mandate requires that a new case mix system be implemented by Jan. 1, 2002. The newly mandated system must implement a resident assessment instrument for nursing facilities in lieu of the current dual assessment system. The new system will ease the paperwork burden on nursing facilities and align state requirements with federally mandated ones, according to Held. Following the advice of Bailit Health Purchasing, the consulting firm awarded the contract by DHS, three options were evaluated. Bailit Health Purchasing opted to recommend following the Resource Utilization Group (RUG) system because it is a nationally-used model which has been extensively researched. Held said it also demonstrates good statistical performance, a low start-up cost, positive clinical incentives and a low administrative burden.

### Health care costs considered

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Jan. 24, to overview health care coverage and costs in Minnesota.

Dept. of Commerce Health Policy Services representative John Gross provided an overview of Minnesota's health care market. Health care coverage, he said, is obtained through a person's employer (group), individual/family health care coverage plans or the government. Government programs include Medical Assistance (MA), General Assistance Medical Care (GAMC), MinnesotaCare, the Prescription Drug Program, Medicare and supplemental coverages.

Gross said there was help available for those dissatisfied with insurers for refusal of coverage for particular medical treatments.



*A young girl from the Capitol Child Care Center is greeted warmly by Ernie of "Sesame Street" fame in the Capitol Rotunda. On Tues., Jan. 23, Sesame Street characters made an appearance at the Capitol in support of Public Television.*

Photo by Shelley Hawes

# Committee update

The Center for Health Dispute Resolution, a New York-based entity, handles appeals from dissatisfied consumers, according to Gross.

Following Gross's testimony, Scott Leitz, director, Health Economics, Minnesota Dept. of Health, provided an in-depth analysis of costs, premiums and insurance trends in Minnesota's Health Care Market. He said that of Minnesota's 4.8 million people, 72 percent carry large group, small group or individual private coverage, 23 percent are covered through public programs and 5 percent are uninsured. At 5.3 percent, we have the lowest rate of uninsured in the country, Leitz reported. Sen. Sheila Kiscaden (R-Rochester) asked how enrollment trends have changed in public health programs. Leitz said that the number of individuals on Medicare has remained stable for several years, but Medicaid numbers have declined as the economy improved. Overall, he said, enrollment in public health care plans has declined by approximately one percent.

Leitz invited his associate, Julie Sonier, to summarize the department's report on health care spending. According to Sonier, hospital and physician services comprise over half of the health care spending in Minnesota. The state has lower per capita spending than the rest of the country and health care constitutes a smaller share of the economy. She said that overall, health care spending is growing at a rate of five to six percent per year and spending for public programs is disproportionate to enrollment. The reason for this, said Sonier, is that those on public programs tend to have more serious health problems.

Sen. Leo Foley (DFL-Coon Rapids) questioned Leitz concerning health care for HIV patients who are unemployed. Leitz said that either Medicaid or the Minnesota Comprehensive Health Association (MCHA) covers HIV patients. Sen. Beck Lourey (DFL-Kerrick) said she was concerned about the increasing numbers of uninsured young women, ages 18-24. Leitz said he did not yet understand the reason for that decline but a broader survey was needed and would be implemented to determine the reason.

In terms of premium costs and trends, Leitz said we are experiencing high premium increases in both Minnesota and the nation. Premiums follow a cycle of high and low increases, he said, and premiums did not keep pace with spending

in the mid to late 1990s, which created a need to raise premiums to make up for past losses. Also, he said, growth in underlying costs also seems to have accelerated in 1998 and 1999.

According to the report, populations of color are twice as likely to be uninsured as the white population, low-income people are nearly four times as likely to lack health insurance as higher income people and rural residents are more likely to be uninsured. Leitz said that about two-thirds of those who lack insurance could potentially enroll in employer-based coverage or a public program and about 75 percent of uninsured children are eligible for MinnesotaCare, based on income and lack of access to employer coverage.

The Minnesota Department of Health was awarded a \$1.6 million federal grant in September 2000 to study the uninsured, according to Leitz. Under the grant, a variety of studies will be conducted to determine more about the uninsured, focusing on learning about populations that are at higher risk of being uninsured and for whom we lack much current knowledge.

## Jobs, Housing and Community Development Committee

### Workforce development concerns heard

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), examined workforce development issues Fri., Jan. 19.

Commissioner Earl Wilson from the Department of Economic Security said Minnesota has one of the lowest unemployment rates in the country and a shortage of workers could be "the true choking point" of the state's economy. He said the emphasis has shifted from ensuring that people have jobs to making sure that people have good jobs, from encouraging four-year educations to promoting technical educations, and from departments working alone on workforce development to collaboration among agencies and businesses.

According to Wilson, Governor Jesse Ventura is recommending that the government meet increasing workforce development needs without additional resources

by improving the efficiency of existing programs. One way to do this, Wilson suggested, would be to reduce funding for programs that serve only those who meet specific requirements, such as the state dislocated workers program, and provide more support for programs targeting "people across the map." "We would go from serving 12,000 to 13,000 people to serving tens-of-thousands more," he said.

Jason Walsh, Minnesota Council of Nonprofits affirmative options coordinator, said that although the governor's "mini-cabinet" report states that \$97 million is currently spent on "target populations," it never specifies what the populations are. He said that the Minnesota Inventory report by the Department of Economic Security states that only \$53 million is spent on "eligibility only" programs. After noting the discrepancies in workforce development reports, he recommended that before any policy is made the Legislature should define what it means by "workforce development" and have thorough research done on the issue by a disinterested third party.

Lyle Wray, executive director of the Citizens League, suggested establishing a cabinet-level office dedicated to workforce development issues. He recommended the office establish collaborations among businesses, nonprofit organizations and government agencies.

Wray also said the worker shortage could be decreased through devoting more resources to training existing, incumbent workers. "Minnesota has lots of underemployed people," he said and noted a study by the Education Testing Service that proved 16 weeks of training could bring poverty level workers to jobs paying livable wages. When Sen. Michelle Bachmann (R-Stillwater) asked him who would fill jobs left by retrained workers, Wyle replied that leaving lower-paid jobs empty "is not the worst thing" because often those positions can be eliminated through automation or increased efficiency.

Minnesota State Colleges and Universities Chancellor Morrie Anderson asked, "Is there anyone who believes that education and training aren't key to a quality workforce?" He presented MnSCU's workforce development plan, which had six main points: building an e-learning system, implementing a workforce tuition plan that would not penalize part-time students, establishing business

partnerships to better meet industry needs, reaching out strategically through community partnerships, and meeting needs on a regional basis.

## Housing costs discussed

The Jobs, Housing and Community Development Committee met Weds., Jan. 24, and discussed with real estate and development industry representatives the incentives and impediments to creating affordable housing.

According to Rick Packer, project manager for Arcon Development, Minnesota has dropped from being the most affordable state in 1995 to being the 14th most affordable state in 2001. He said that Minnesota continues to have the highest median income in the country and the decrease in affordability is due to skyrocketing housing costs. The vacancy rate is two percent statewide and as low as zero percent in Rochester, said Warren Hanson, president of the Greater Minnesota Housing Fund. Between 3,000 and 4,000 homes need to be constructed each year to meet state needs, but only 1,200 housing units each year are actually built, he said.

Soaring land costs, zoning complications, reluctance to open communities to affordable housing developments, financing problems, and the high price of regulations were listed by real-estate industry representatives, developers, and local officials as impediments to affordable housing.

Gary Laurent, president of Laurent Companies, said the first step to building affordable housing is finding land on which to build. "In recent years," he said, "it is the hardest thing to do." Between 1994 and 1997, the value of an acre of land in Shakopee doubled and has continued rising ever since, he said. According to Packer, in 1997 the Metro Council discovered that less than half the land the organization previously had labeled good for construction was actually available. He said that when the Council looks more closely at the availability of lands again this year, he expects that less than a quarter of the land originally labeled available will remain so. "It used to be that no one knew how much land was available and no one cared. We've gotten rid of the 'know one caring' hurdle, now on to the land problem," he said. Because of appraisal and lending practices, the value of the land as a percentage of the total house package must be approxi-

mately 25 percent, he said. He added that no other cost of development has a similar "multiplier affect." He said that for every \$1,000 increase in the price of a house, it becomes unaffordable to 3,400 more families. The most effective means to cut cost is cutting the lot size of housing developments, Hanson said. He also said that, if a 24-unit development on 60 acre lots was developed on lots of half the size, \$500,000 would be saved.

When asked by Committee Chair Ellen Anderson (DFL-St. Paul) what was needed to reduce the cost of land, Julie Fricke, director of the Carver County Housing and Redevelopment Authority, said, "We need more land." She said that through re-zoning, more land could be made available to developers. Fricke also said that re-zoning was complicated by the need for a supermajority of a city council to approve redistricting measures and the resistance of a significant number of council members to opening their communities to affordable housing.

Mark Ulfers, director of Dakota County Community Development Agency, listed neighborhood resistance as one of the main obstacles to developing affordable housing. Hanson said that neighborhood resistance is due to negative perceptions of affordable housing residents. When discussing affordable housing, he said, "We are not talking about housing for those who aren't working and those on welfare; we are talking about housing needed by the workers who are needed by companies." Minnesota Association of Realtors representative Glenn Dorfman said "smart growth" policies were evidence of Minnesota residents who "do not have modern social views" and "wall off desirable areas of first generation sprawl for those who already have bought in, while shutting out new arrivals, such as minorities and immigrants."

More housing could be created through rehabilitating the 7,000 to 10,000 units of affordable housing that need rehabilitation right now, said Hanson. President of University National Bank Dave Reiling said his bank has been a leader in improving urban communities. Through the bank, home buyers receive loans for the purchase and rehabilitation of property in a single transaction and thus are able to buy homes in poor condition that do not qualify for secondary market loans, he said.

Increasing regulatory fees are also

bumping prices up, said Laura Bordelon, Minnesota Chamber of Commerce manager of education, housing and telecommunications. The chamber is encouraging efforts of communities to look at regulatory costs that drive up the price of housing, she said. According to Bordelon, the classification costs for developers are passed down to consumers and could be reduced significantly. "I don't think its fair that people who build new homes have to pay for costs of the city at large," Laurent said. Oakdale City Administrator Craig Waldron said that the fees paid for services that developments need such as the fire station.

## State and Local Government Operations

### Local bills okayed

The State and Local Government Operations Committee convened Tues., Jan. 23, and approved three pieces of legislation regarding various local concerns.

Sen. Twyla Ring (DFL-North Branch) authored S.F. 131, which exempts the city of Chisago and Wyoming Township from the six-year limitation on the reimbursement to townships by cities for annexed lands. Chisago City Mayor Chris DuBose said that the legislation allows the city and township to create collaboratively a new business park. "The six-year time frame will not allow the township of Wyoming to recover its investment," he said. Sen. Martha Robertson (R-Minnetonka) asked how long an extended time limit should be. Eugene Patrin, Wyoming Township supervisor, said that the agreement between the cities was like a marriage to which no one would want to commit if there were a time limit. According to Patrin, the six-year time frame was originally created to ensure that cities paid townships back, not to limit reimbursements as it would in this instance. S.F. 131 was approved and re-referred to the Tax Committee.

The committee also discussed S.F. 155, sponsored by Sen. Randy Kelly (DFL-St. Paul). The bill permits employees of St. Paul and Ramsey County equal standing when competing for jobs in combined departments, said Kelly. He said the recent mergers of county and city offices, such as the Health and Workforce Development Departments, necessitated the legislation.

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The bill was approved and sent to the floor.

Finally, the committee discussed S.F.160, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls). John Dooley, an attorney with the Minnesota Council of Townships, said that the bill requires the state to pay up to \$300 to fire departments for putting out car fires. "Normally," he said, "If your car is on fire, the fire department would come and put out the fire, send you a bill, you give it the insurance company, and the bill gets paid." However, if the bill is not covered by insurance, the city can bill the car's owner by placing a lien on property or collect damages in Small Claims Court, he said. Sen. Lawrence Pogemiller (DFL-Mpls) said that language needed to be added to the bill that the state would only be responsible for paying the bill "as a last resort." An amendment was adopted that requires the state to cover the cost only after exhausting other available methods of reimbursement or collection. The committee approved and re-referred the measure to the Transportation Committee.

## State Government, Economic Development and the Judiciary Budget Division

### Information technology reviewed

The State Government, Economic Development and the Judiciary Budget Division met Thurs., Jan. 18, to hear testimony concerning the status of information technology at a variety of agencies and departments. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided. Christopher Buse from the Office of the Legislative Auditor presented the findings of two audits relating to the Department of Administration's Intertechnologies Group (Intertech) and to the Department of Economic Security's batch processing and accounting

systems. The first report addresses concerns about controls and documentation within Intertech's security software. Dale Yarborough of Intertech agreed with the findings and presented the agency's time line for addressing the concerns, highlighting that the more serious of the problems have already been fixed. Sen. Dave Kleis (R-St. Cloud) asked if the information in the systems had ever been compromised and Yarborough said it had not. The

second report points to similar concerns in the Department of Economic Security. It says that some aspects of batch processing need greater quality control, stricter attention to security clearances, and improved infrastructure. In addition, the report says that some accounts that use the Micro Information Products accounting system are not adequately controlled. The department's written response agrees with all of the findings and outlines steps that



*Senators meet in the Senate Chamber for a brief floor session on Thurs., Jan. 25.*

Photo by David J. Oakes

will be taken to address the concerns.

Reggie David, Yarborough and David Fisher, all from the Department of Administration, presented testimony on the status of various information technology projects in the department. David said that the information infrastructure initiative for small agencies was completed according to plan. She said that the online licensing initiative was also progressing according to plan but that the lack of readiness of individual agencies left much work still to be completed. Next, Yarborough reported on the progress of Intertech initiatives designed to implement aspects of Electronic Government Service (EGS). He said several projects are on schedule to create a shared security infrastructure, to assess agencies' security systems and train employees, and to establish electronic directory services. He added that Intertech has completed a project that creates an electronic network to be shared by state and county agencies. Sen. Jim Vickerman (DFL-Tracy) asked if funds in excess of the original appropriations would be required to complete unfinished phases; Yarborough said there will be requests for increased funding in the department's budget. Fisher reported that the department's project to install a statewide fiber optic ring using freeway right-of-ways was back on track. He said that the department has amended the original contract to address legal issues raised in a ruling by the Federal Communications Commission.

Bev Driscoll of the Department of Revenue presented a report on the status of electronic income tax reporting. She said that the department's old computer systems badly needed to be replaced and that the complete upgrade the department is recommending will improve compliance, expedite customer service, and meet the demands of a more computer-literate citizenry. She said the recommendation requires an increase of \$5.4 million over what had been appropriated for the upgrade and Vickerman said it seemed a very small amount given that the department is responsible for collecting over \$5.6 billion annually in individual income taxes.

Bob Schroeder and Bill Batcher from the Secretary of State's office reported on the completion of several projects, including Y2K compliance, Uniform Commercial Code Article 9 compliance and digital image conversion. Schroeder

highlighted the office's upgraded election night reporting, saying that Minnesota was the first in the country to provide near-real-time precinct-level results on election night.

Jake Manahan, deputy state treasurer, said that his office has developed a system for handling electronic financial transactions and is working with agencies to ensure that the transactions can be linked into their existing systems. David Arbeit of Minnesota Planning said that, although the appropriation the agency received was less than requested, initial steps have been taken toward integrating the agency's information technology. He said the agency completed a Strategic Information Resource Plan and hired a web designer to make the web page more data driven. Rebecca Spatz from the Attorney General's Office said that hardware replacement and software upgrades have been completed and that the office now has the capability to save large hard-copy files to CD-ROM. Finally, Jean Hennings and Lori Mo from the Department of Finance presented the second of three progress reports on the upgrading of Minnesota's Human Resources and Payroll System (SEMA4). Hennings said that work continues on schedule and within budget.

### Unemployment bill okayed

The State Government, Economic Development and the Judiciary Budget Division met Weds., Jan. 24, to consider S.F. 101, a bill extending unemployment compensation benefits for workers affected by layoffs on the Iron Range. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided.

Sen. Douglas Johnson (DFL-Tower), chief author of the bill, said it was drafted to lessen the impact on the Iron Range of the bankruptcy of LTV and the closing of the LTV mine and plant specifically. He said that when mines closed in the 1980s, because extended unemployment support was not available, people left the Iron Range in droves, home values plummeted, and schools were devastated. "We're trying to prevent that from happening again," he said. The bill allows eligible employees to receive up to two years' worth of unemployment benefits; eligibility applies to employees permanently laid off after June 1, 1999 from an iron ore mining company or from a vendor that received at least 25 percent of its revenue in 2000 from an iron ore mining company.

The bill makes two exceptions to normal eligibility criteria; it retains eligibility for workers who return to the Range after leaving to seek work and it lets workers receive benefits despite having pending worker's compensation claims.

Representatives from the Department of Economic Security presented a fiscal note on the bill that estimates that in FY 01 an additional \$12 million will be required from the unemployment fund and an additional \$210,000 will be spent by the department to administer the extended benefits; the note states that two-thirds of the FY 01 administrative cost will be absorbed by the department.

Sen. Sam Solon (DFL-Duluth) asked about the 25 percent eligibility requirement on vendors, saying that a lot of companies in Duluth would be left out. Douglas Johnson said that it had been amended from 5 percent to 25 percent in the policy committee because of a concern that the requirement was not stringent enough. He said that it was difficult to arrive at a number because legislation of this kind had never included vendors before.

Sen. Martha Robertson (R-Minnetonka) asked what basis was used for the fiscal estimates since it is unclear how many workers would be eligible, especially considering the expansion of the eligibility date and the inclusion of the employees of vendors. She said the bill could be a "high drain on federal funds and the general fund." Douglas Johnson said that he understood her concern and that the amendment to include employees of other mines had been added in the policy committee. Cohen said that because of the apparent certainty that the LTV mine would not reopen, it seemed that less drastic layoffs at other mines were not quite the same and maybe should not be included. Robertson agreed, saying that she objected to the precedent-setting nature of the bill. If the bill tries to include too many workers, she added, it risks losing support and the LTV workers will end up with nothing. Sen. David Knutson (R-Burnsville) said that layoffs elsewhere could be considered case by case and that the language of the bill should be tightened to address LTV exclusively.

Douglas Johnson agreed that the members pointed to a real problem with the bill and admitted he wasn't sure if he should recommend passing it on or amending it back to its original intent.

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Cohen said, "The problem is that if we move it along, it takes the money with it." With the input of counsel, an amendment was drafted to define the eligible workers as only those associated with the LTV closings and the eligible LTV vendors. The amendment was adopted. Robertson said, based on the fiscal note, the reduced scope of the bill will possibly decrease the associated costs to within the range of what the department had indicated that it could absorb. The bill was approved and referred to the full Finance Committee.

In other business, the division began hearing budget requests from agencies under the division's purview. Tom Barrett of the Gambling Control Board highlighted staff concerns, the need to examine raising fees, and the governor's recommendation of \$100,000 for continuing technology upgrades. Cohen said that he was concerned that the governor's attention to technology investment seemed limited to the executive branch departments and agencies. Sen. Jim Vickerman (DFL-Tracy) suggested that the \$126 million raised in gambling fees from charitable organizations could be lessened as a way support the work the groups do throughout the state.

Nancy Stark of the Capitol Area Architectural and Planning Board presented an overview of the board and its budget request, which included a \$25,000 technology appropriation. She said three-fourths of the technology funds will pay for LAN connections to collaborative state agencies.

In the next budget request, Richard Kruger of the Racing Commission highlighted the growth of revenue from the racing and card club at Canterbury, saying that the operations now return 68 percent of the commission's general fund request. His report also states that the commission might present legislation to increase the number of card tables at the Cardinal site.

Finally, Don Feeney of the Minnesota State Lottery presented an overview, highlighting that the lottery is self-supporting and therefore is not subject to the same budget process as other agencies. He said that the lottery represents only 5 percent of all wagering in the state and is the sole source of funding for programs to treat gambling addiction. He said the lottery consistently falls well below operating expense targets and is projected to return a total of more than \$170 million in FY 00-01. Cohen said that the state has

come to depend on the lottery revenue, especially for contributions designated to the Environment and Natural Resources Trust Fund.

## Taxes

### Goal statement debated

The meeting of the Senate Committee on Taxes Thurs., Jan. 18, was dominated by continued debate over a goal statement drafted by committee chair Lawrence Pogemiller (DFL-Mpls.). Sen. William Belanger (R-Bloomington) said Republican caucus members "won't buy into this process." He said the committee's goal should be nothing more than "to enact a fair and equitable tax plan for the people of Minnesota." Pogemiller questioned whether that was descriptive enough. Belanger said he found it wasteful to sort bills into one of the 13 categories outlined in the goal statement.

Senators Linda Scheid (DFL-Brooklyn Park) and Sandra Pappas (DFL-St. Paul) spoke in support of the goal statement. Scheid said that it is a useful exercise that could stop frivolous bills. Pappas stated that a mission statement had been useful in the Education Committee because it turned the consideration of bills from a subjective to an objective process.

Sen. Gen Olson (R-Minnetrista) spoke several times against the goal statement, pointing out that "there are and should be philosophical differences within the committee." She, for example, differed with the statement that a tax structure should collect the taxes "necessary to provide desirable, high quality government services," saying she thinks the tax structure should instead reflect what people want to provide. Senators Arlene Lesewski (R-Marshall) and Warren Limmer (R-Maple Grove) both stated that they found the goal statement too restrictive.

Pogemiller said clarifying what the committee is trying to do would promote government openness. He also pointed out that every bill will be heard even if it didn't correspond with one of the 13 objectives and he said he views this as a more open process than if the committee chair makes the decision to reject bills. He asked why, if there are some commonalities, they can't be put on paper.

Sen. Edward Oliver (R-Deephaven) said that since any germane amendment is acceptable on the floor, committees

should not be more restrictive. Sen. Mady Reiter (R-Shoreview) offered her own goal statement, "to hear and discuss tax bills."

Pogemiller said a more extensive goal statement gives the committee a common language. He said he found it useful to have a set of objectives to compare with the objectives offered by the executive branch.

### Governor's tax plan discussed

The Tax Committee met Tue., Jan. 23 to begin discussing the tax reform plan unveiled earlier in the day by Gov. Jesse Ventura. Sen. Lawrence Pogemiller (DFL-Mpls.) chair of the committee, presided and Revenue Commissioner Matt Smith presented the governor's plan.

Smith emphasized that the governor's tax plan is best understood as an overall package. The plan calls for reductions in property taxes, income taxes, and vehicle license fees, and an expansion of the sales tax base with a lower sales tax rate. Smith said the plan reduces total state tax revenue by more than \$1 billion annually by FY 03 and simultaneously alters the relative emphasis of property and sales taxes. He said the plan offers "fairness and balance" by providing relief for businesses as well as individuals, for Greater Minnesota as well as the Metro Area, and for people at all income levels. Besides lowering taxes, he said the plan will accomplish four primary goals: returning property taxes to local control, making the sales tax fit the modern economy, helping Minnesota businesses stay competitive, and emphasizing flexibility and accountability to taxpayers. He also said the projected surplus from FY 00-01 will be returned to taxpayers this summer as a sales tax rebate.

Sen. Steve Kelley (DFL-Hopkins) said the Finance Department's revised February forecast may project smaller surpluses in coming years than originally expected and asked what impact it will have on the tax plan. Smith said that his department will make adjustments as necessary, but that some provision had already been made for a revised forecast. For example, he said that the final phased reduction in income tax rates (set at 0.1 percent in FY 04) was in fact contingent on the performance of the economy. Kelley then asked if the proposed expansion of the sales tax base might be at odds with the desire to keep Minnesota competitive, especially in attracting the high-tech industry. Smith



said that lower property taxes will help to balance the impact for a company and that lower income taxes will help companies recruit and retain workers. Similarly, when Sen. Tony Kinkel (DFL-Park Rapids) asked about the impact that broadening the sales tax base could have on new home prices, Smith reiterated the “package” concept of the plan, saying that changes in property taxes could offset the effect of price increases. He added that, in general, the tax plan tries to use material exemptions to avoid taxing both the input and output for a given producer. He also emphasized that new areas subject to a sales tax would only comprise 15 percent of total sales tax revenue.

Sen. Myron Orfield (DFL-Mpls.) asked Smith to clarify if the net result of the combined tax burden on individual Minnesotans was proportional and not progressive. Smith said that yes, even though income taxes on their own are progressive, the overall tax burden in the state is indeed proportional, or “flat.” He said that most states actually have a regressive tax structure when all forms of taxation are taken into account.

On this point, Sen. John Marty (DFL-Roseville) questioned the assertion that a flat tax structure is fair, saying that “thousands and thousands of Minnesota families ... can’t afford housing and health care and child care.” He said that expecting these people to pay the same proportion as wealthier residents “maybe isn’t the best system.”

Sen. Ann Rest (DFL-New Hope) expressed a concern that the plan’s increase in the maximum homeowner property tax circuit-breaker seems to favor homeowners over renters. Smith said that tax policy favoring owner-occupied property is not unusual and that this particular aspect of the plan is intended to direct a greater share of property tax relief to those with relatively high taxes and relatively low incomes. In response to other questions from Rest, Smith clarified aspects of the plan’s reduction in corporate income taxes and the property tax assessment method.

Sen. Warren Limmer (R-Maple Grove) said he is concerned that a major shift in the relative proportion of property and sales taxes would make the state’s revenue more vulnerable to possible downward movements in the economy. Sen. Gen Olson (R-Minnetrissa) did not wholly agree with this analysis, saying that

property taxes are not a more stable source of revenue if a recession makes it harder for people to pay them. Smith said that his department relies on the Finance Department for economic forecasting and the prediction of future revenue, but that the overall revenue package includes important fiscal measures to prepare for cash flow problems that can be caused by economic cycles.

Several Senators expressed concerns about or asked for clarification of specific aspects of the governor’s plan. Rest asked how the tax impact profiles given would compare with profiles of families that had much larger incomes. Orfield asked if exemptions on materials purchased by companies providing services would offset the increase brought on by the new sales tax. Olson asked how many businesses would be collecting sales taxes that aren’t collecting them now. Kinkel wanted to see the basis upon which the department estimated that a married couple with two children would only see a sales tax increase of \$70 a year. Sen. John Hottinger (DFL-Mankato) wanted a better idea of whether the income tax reduction, which was front-loaded, and the increase in the Working Family Credit, which was phased in more slowly, would create a regressive net result in the short term. In each case, Smith offered to provide the information or said that more analysis is required.

Sen. Don Betzold (DFL-Fridley) announced that public meetings outside the Capitol are being planned to gather input on the governor’s tax plan.

In other business, the Coalition of Greater Minnesota Cities and the Minnesota Chamber of Commerce both offered suggestions for the committee’s statement of goals and objectives. Also, Pogemiller named tentative chairs for the committee’s working groups: Tax Increment Financing, to be chaired by Sen. Bob Kierlin (R-Winona) and Sen. Linda Scheid (DFL-Brooklyn Park); Metro Funding, by Orfield and Sen. Mady Reiter (R-Shoreview); Farm/Agriculture, by Sen. LeRoy Stumpf (DFL-Thief River Falls) and Sen. Chuck Fowler (DFL-Fairmont); Streamlined Sales Tax, by Kelley and Sen. Grace Schwab (R-Albert Lea); and Natural Resources, by Rest and Sen. David Tomassoni (DFL-Chisholm). No chairs have been named for the Utilities and Deregulation working group.

## More discussion on tax proposal

The meeting of the Tax Committee Weds., Jan. 24, continued discussion of the governor’s budget proposal. Revenue Commissioner Matt Smith was on hand to answer questions. Committee Chair Lawrence Pogemiller (DFL-Mpls.) presided.

Sen. John Marty (DFL-Roseville) asked about the fairness of having an overall flat tax system, pointing out that the more tax low-income citizens pay, the harder it will be to hold down spending on programs like low-income housing and child care. Pogemiller asked for the governor’s definition of “fair.” Smith said one element is equal treatment – the more evenly applied a tax is, the fairer it is. A second element, he said, is that the taxpayer be able to control how much tax he or she pays.

Sen. David Tomassoni (DFL-Chisholm), using the governor’s sweater analogy, asked how many threads the state could afford to pull out. Smith said general education funding is a key thread. Tomassoni said that thread will fall out if the governor’s sales tax proposal is not adopted. Smith said another key thread is that the sales tax be spread uniformly among sectors of the economy.

Sen. Tony Kinkel (DFL-Park Rapids) asked if any property tax classifications had been eliminated to simplify the system. Smith said there are five, rather than the current eight, rates in the administration’s proposal. Kinkel asked how the property tax shift will affect cabin owners. Smith said that there will be a general levy on owners of recreational property and expenditure equalization will also increase to avoid overburdening the local population.

Sen. Michele Bachmann (R-Stillwater) asked about reductions in the education credit. John Haugen, an attorney with the Dept. of Revenue, explained that there are compliance problems with the education credit. Taxpayers had been claiming personal expenses as education expenses, he said, so the education credit will be eliminated altogether. In response to Bachmann’s point that this will negatively impact low income taxpayers, Haugen said an increase in the Earned Income Tax Credit is meant to offset the loss.

Sen. Edward Oliver (R-Deephaven) asked about sales tax on real estate commissions and brokerage fees. Dept. of

# Committee update

Revenue attorney Gregory Heck said the tax will apply to firms with a physical presence in the state. Oliver said this puts locally based brokerage firms in a bad position. Heck said he had no ready answer to the problem. Oliver also asked how sales tax will be applied to Internet trading. Heck said a Minnesota resident will pay tax on an Internet trade, but the firm will not pay if it is located outside Minnesota. Smith pointed out that such complexities “perplex us in the goods sector as well as with services.”

Sen. Ann Rest (DFL-New Hope) asked what the compliance rates are for a use tax, suggesting that the revenue estimates from the use tax may be high. Smith replied that sales tax compliance is higher than use tax compliance and businesses comply more readily than individuals. Haugen said the margin of error was wider in this estimate to allow for compliance problems.

Sen. Warren Limmer (R-Maple Grove) asked how the proposed tax policy affects real estate agents making their living off commissions. Smith said the agent is responsible for collecting the sales tax. Limmer asked whether advertisement or research services used in the process of selling a home would be tax exempt under the proposal. Heck answered that proposal exempts “any inputs directly used or consumed in providing a taxable service.”

Pogemiller announced the tentative co-chairs of five voluntary workgroups. Sen. Linda Scheid (DFL-Brooklyn Park) and Sen. Bob Kierlin (R-Winona) are in the tax increment financing group, Sen. Myron Orfield (DFL-Mpls.) and Sen. Mady Reiter (R-Shoreview) will focus on metro funding, Sen. LeRoy Stumpf (DFL-Thief River Falls) and Fowler will co-chair farm/agriculture, Tomassoni and Rest will work on natural resources, and Sen. Steve Kelley (DFL-Hopkins) and Sen. Grace Schwab (R-Albert Lea) will focus on streamlined sales tax/Internet.

## Telecommunications, Energy and Utilities

### Tour of MAPP site

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Jan. 18. The meeting was devoted to a tour of the Mid-continent Area Power Pool (MAPP) site.

### Home heating costs discussed

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul) met Tues., Jan. 23, to determine how the current natural gas price increases are affecting consumers and why pricing has risen so dramatically. Testimony was heard from officials in the industry and from public agencies. Metzen introduced Dept. of Commerce Energy Planning and Advocacy Manager Marya White, who provided a brief overview of natural gas sources, distribution and procurement practices in Minnesota.

Sen. Bob Lessard (IND-Int'l. Falls) said, “We have no energy policy.” Lessard said he thought energy must be dealt with on the national level. He also said that every form of energy the state considers has problems. “We can’t use coal, we can’t use nuclear, we can’t use solar . . . we get sued no matter what we try,” Lessard said. “What do we have to do to have an energy policy?” White assured the committee that her department would be coming forward with a plan.

Sen. Ellen Anderson (DFL-St. Paul) said that an energy policy must emphasize conservation. “We’ve forgotten what to do since the 1970s,” she said, in reference to an era when public awareness about energy conservation was heightened. Several members agreed that the current reaction in California to the energy crisis demonstrated the dramatic difference that conservation efforts make.

White was questioned about possible reasons for the meteoric rise in natural gas prices. Sen. David Tomassoni (DFL-Chisholm) asked White about her earlier contention that storage levels are down 28 percent. He said he wondered if storage capacity was linked to the natural gas supply problem. According to White, when storage levels are down, “that’s how we see that supplies are down,” but it isn’t necessarily a causal factor. Sen. Arlene Lesewski (R-Marshall) asked if there was any way to control the price that producers ask. White said, “It’s not a cost-based price, it’s a market-based price,” relative to supply and demand. Sen. Edward Oliver (R-Deephaven) raised several questions about how costs are passed on through producers and the utility companies to consumers. He said, “Since utilities just pass on the cost from the producer, they probably don’t care about the cost?” White said that the utilities are carefully

scrutinized and regulated. The Public Utilities Commission has the authority to disallow unreasonable gas costs, she said. White also said that a large part of the problem had to do with colder weather and the fact that prices from producers usually decline during the summer, but that’s not what happened this past year, which affected purchasing practices.

Brad Holland, director of customer services for Reliant Energy-Minnegasco, discussed the ways in which Reliant emphasizes communicating with consumers. Newsletters, phone calls, field outreach programs and an informational web site are among some of the means to reach consumers to explain solutions for using energy more efficiently. The company offers flexible payment plans and budget payment plans to accommodate struggling consumers and provide resources for low-income families, according to Holland.

Oliver said that gas prices have experienced “an extraordinary increase of 300 percent from Jan. 1, 2000 to Jan. 1, 2001,” and asked why it hasn’t gone up that much for other petroleum products. Reliant Director of Price Management, Wayne Fransdal said that natural gas is traded on the New York Stock Exchange (NYSE) like any other commodity, and prices are based on the trade exchanges as set by the market. Sen. Steve Kelly (DFL-Hopkins) said, “Assuming that we are buying gas purchased last September or earlier, why aren’t consumers paying based on that price?” According to Fransdal, each month prices are determined based on what is withdrawn from storage, estimating demand and how much will be used. He said that it isn’t always easy to predict weather conditions or usage.

Xcel Energy Low Income Programs Supervisor, Pat Boland provided an update on the status of Xcel consumers. She said there had been a 22 percent reduction in disconnect notices sent to consumers for last year and that she expected that number to increase by another 15 percent this year. The company has not pursued a single disconnect for 10 years, according to Boland. Boland said that there has been a significant rise in the number of consumers requesting payment plan assistance—many from families not considered low income. Responding to a question from Kelly concerning whether or not the state will need to consider additional fuel assistance

funding, Boland said she's recommended to the department that fuel providers follow a prioritization plan for the distribution of funds to assist consumers.

Uticorp Senior Vice President John Empson reported that growing demand in industrial use and increased usage for the purpose of generating electricity have driven natural gas prices to an all-time high. All levels of customers are looking for ways to help offset the increased cost, he said. He said that the market represents the price which the last buyer, for the last unit of gas, was willing to pay.

According to Empson, the hot, dry summer, along with the strong U.S. economy increased demand from the industrial end-user market and raised overall demand. The use of gas to fire electric generating plants is another factor affecting supply, he said. Tomassoni asked, "What is the plan for the future?" Empson said, "We're looking at more wells and the probability of going into more frontier areas."

Minnesota Community Action Association Executive Director Tarryl Clark provided an overview of how the energy crisis was affecting low-income consumers. Her report indicated that natural gas prices had risen 58 percent this winter, while the average amount of Energy Assistance grants had only increased by 7.6 percent. Clark's report recommended that the Legislature find a vehicle for funding or obtaining contingency funds to meet the current need for Energy Assistance and Weatherization. For the long term, the report recommended that a universal service fund be developed to help address high fuel costs and conservation needs.

## Transportation

### Crosstown project discussed

The Transportation Committee was called to order by Chair Randy Kelly (DFL-St. Paul) on Thurs., Jan. 18, to discuss the Crosstown Project and to hear public testimony.

Kelly said the I-35W/Highway 62 improvement project (referred to as the Crosstown Project) addresses an "infamous bottleneck." He said, "It is one of the biggest traffic problems this state has ever seen," and "the [people in the] western suburbs are calling with great consternation about this project," he said.

MnDOT Commissioner Elwyn

Tinklenberg presented information on the project including plan design and proposed project strategy. He said the proposed plan is for the improvement of I-35W/Highway 62 between 42nd Street South in Minneapolis and I-494 in Richfield. The project will close down the Crosstown Highway for up to four years, reroute 78,000 cars per day, take four years to complete and, he said, cost an estimated \$132.3 million. When it's completed, he said, "it will not be a complete solution, but an acceptable solution." Sen. Dave Johnson (DFL-Bloomington) said, "The day it's done we ought not to have to look at fixing the problem all over again." While the Crosstown Project does not meet all congestion needs, Tinklenberg said, there is also "an overriding safety issue on this corridor because it has three times the number of accidents of any other corridor in the state."

Sen. Roy Terwilliger (R-Edina) said, "In all honesty, it is unacceptable to close the westbound lane for up to two years and the eastbound for four years when the completion will not satisfy needs." He said dollars will be wasted that will cause safety risks to the neighborhoods in the detour areas. "It is imperative to get 494 fixed first," Terwilliger added.

"People will find their own way, only a small fraction will use 494," said Tinklenberg. Sen. William Bellanger (R-Bloomington) said, "Richfield and Bloomington streets are going to get a lot of this traffic. Then it's not MnDOT's problem, but Richfield's and Bloomington's."

Sen. Dick Day (R-Owatonna) asked, "Why wouldn't we do Interstate 494 and have a six lane beltway around the Metro Area so that when we start Highway 62 we have a place for people to go?" Tinklenberg said the cost for the I-494 project is \$1 billion and there is not adequate funding at this point to complete the project, but if the funding were available, the project could be moved forward from 2010 to 2004, he said. Terwilliger said that part of the problem has been funding.

However, he said, if "half-fixes" are used, there is going to be one lane going north and we will wind up with the same congestion problems that exist now after having invested \$100 million on the project. "We're so far behind," said Day, "we're the only major city in the country

that doesn't have a six to eight lane beltway." Whether you're in Greater Minnesota or in the Metro Area, he said, these issues have to be addressed.

Tinklenberg said the I-494 and I-35W projects are scheduled to take place between 2010 and 2012. He said a different schedule could be addressed but the department intends to start the Crosstown Project in May, as scheduled. He said he would bring information regarding the cost and timing of the I-494 project back to the committee. The commissioner said, "We believe it is worthwhile, but we are open to engaging anyone who wants to be involved in changes." Kelly said, "We've entered a new era. This is the biggest traffic problem we will address in this state; I think I-494 needs to be addressed before the Crosstown."

Terwilliger said, "We need a good thorough understanding of where we are, we need to concentrate on one project, and we need to find adequate funding to get that one project done."

Tinklenberg said Terwilliger's comments raised two issues—funding and the process. He also said that \$500 million in additional state funding is needed annually for the next 20 years for the broader range of highway improvements and that the department is working on streamlining the process. Kelly said the committee would attempt to come up with funding streams and process streamlining suggestions. The committee wants to work with the department on both issues, said Terwilliger.

During public testimony, Eden Prairie resident Alan Hanson said, "I would gladly have given back my refund checks from the last two years if you would have said we are going to fix the freeway system." He said that many friends and neighbors feel the same way. Kelly said, "We need to position this state for the future." He also said the Crosstown Project would be revisited sometime in March or April.

Design elements of the Crosstown/Highway 62 project were presented by Dick Stehr and Tom O'Keefe of MnDOT. Stehr also outlined the department's major projects in the Metro Area, while Office of Investment Management Director Al Schenkelberg covered major projects in Greater Minnesota. The final presentation was an overview of the Department of Public Safety and Driver Vehicle Services by Department Director Brian Lamb.

# Committee update

## Panel hears Design/Build

The Senate Transportation Committee was called to order on Tues., Jan. 23, by Chair Randy Kelly (DFL-St. Paul) to receive an overview of the Design/Build concept and to hear information regarding the transportation revolving loan fund.

Deputy Commissioner of Transportation Doug Weiszhaar outlined design/build including the project development process. He said that by using design/build, instead of the traditional process of design/bid/build, a time savings of up to 20 percent can be realized.

Kelly asked what the average time is from the beginning to the end of a project using the traditional process. Weiszhaar said that an average size project takes approximately four to five years for planning and development and another one to two years for construction.

Kelly asked about the cost savings and Weiszhaar said a Florida study of design/build showed a four percent higher cost for the bid process. However, he said that the cost growth during the entire project was cut in half.

Instead of having two separate phases for the design and construction process, he said, design/build puts the two phases together and they take place concurrently. Weiszhaar said that this is how a savings in time and cost is realized. He also said that risks during the project, such as the availability of construction materials, are shared with the contractor when using design/build.

Mark Huston, MnDOT's design/build program coordinator said that design/build is a tool, not a replacement for the traditional process of design/bid/build. Kelly asked if the department is statutorily required to take the lowest bid. Huston said, "yes," with respect to the idea of low-bid versus best value, it would be better to look at best value over the long-term. Fifteen percent of projects around the country are under \$1 million, said Huston, but project dollar size is not a good indicator of design/build candidates.

Kelly asked if there is any way to use design/build on the Crosstown or I-494 projects. Huston said not on the Cross-town because there are no areas of innova-

tion left, but, he said, there would be areas of opportunity on I-494 and I-694. Sen. Roy Terwilliger (R-Edina) said, "There is heightened awareness and concern" over the Crosstown and that the project should be looked at from a design/build perspective.

Huston said that some issues regarding the Crosstown project should be revisited. He said he would like to see them read-dress issues such as best volume and traffic handling. Weiszhaar said that he didn't think design/build could be applied to the Crosstown mostly because of where we are with respect to design.

Nils Grossman, chief legal counsel, Metropolitan Council, spoke on the project delivery method of design/build saying that in the design/bid/build method all bidders are deemed equal and, by law, the department has to choose the low bid. He said that design/build allows the state to deviate from that requirement.

The transportation revolving loan fund was outlined by Deb Ledvina and Director Al Schenkelberg of MnDOT's Office of Investment Management.

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# Preview

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## Monday, January 29

### Children's Environmental Health Work Group

Co-Chairs: Sen. Jane Krentz and Rep. Kathy Tingelstad

8:15 a.m. Room 125 Capitol

**Agenda:** Children's Environmental Health Issues: report from John Helland, House of Representatives Research. Pesticide and Integrated Pest Management Issues: Department of Agriculture and University of Minnesota Extension.

The Senate will be in session at 11:30 a.m.

### E - 12 Education Budget Division

Chair: Sen. LeRoy Stumpf

1 p.m. Room 112 Capitol

**Agenda:** Continuation of presentation on the governor's education proposals.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 201-Sams: Repealing the infectious disease education requirement for physician assistants. S.F. 289-Sams: Modifying licensing requirements for alcohol and drug counselors. S.F. 57-Larson: Establishing a grant program for nursing facility technology rooms. S.F. 104-Larson: Modifying licensure requirements for foreign-trained dentists. S.F. 58-Foley: Instructing the revisor of statutes to change a phrase concerning metal illness.

### Higher Education Budget Division

Chair: Sen. Deanna Wiener

1 p.m. Room 107 Capitol

**Agenda:** University of Minnesota overview by President Mark G. Yudof

### Finance Committee

Chair: Sen. Douglas J. Johnson

5 p.m. Room 123 Capitol

**Agenda:** S.F. 228-Stumpf: School district emergency energy assistance.

### Jobs, Housing and Community Development Committee

Chair: Sen. Ellen Anderson

6:15 p.m. Meet in front of Capitol

**Agenda:** Tour of homeless shelters and safe waiting spaces.

## Tuesday, January 30

### Transportation Committee

Chair: Sen. Randy C. Kelly

9 a.m. Room 112 Capitol

**Agenda:** Transit overview continued; Commuter Rail; and Midwest Rail.

### Environment and Natural Resources Committee

Chair: Sen. Jane Krentz

10 a.m. Room 107 Capitol

**Agenda:** Pollution Control Agency presentation on air quality in Minnesota.

### Judiciary Committee

Chair: Sen. John Marty

10 a.m. Room 15 Capitol

**Agenda:** S.F. 16-Murphy: Judicial training for crime of failure to provide proof of insurance. S.F. 44-Betzold: Medical malpractice statute of limitations. S.F. 225-Johnson, D.E.: Use of restraints in civil commitment cases.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

1 p.m. Room 107 Capitol

**Agenda:** S.F. 142-Higgins: Increasing the membership of the state Council on Black Minnesotans. S.F. 232-Lourey: Special taxing districts for emergency medical services. S.F. 200-Vickerman: 60 day rule.

### Telecommunications, Energy and Utilities Committee

Chair: Sen. James Metzger

2 p.m. Room 15 Capitol

**Agenda:** Telecommunications issues.

### Legislative Audit Commission

Chair: Rep. Dan McElroy

2:30 p.m. Room 316 Capitol

**Agenda:** Release and review of program evaluation report on Affordable Housing.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget summary overview of the Department of Corrections and Department of Human Services.

### Income and Sales Tax Budget Division

Chair: Sen. Don Betzold

4 p.m. Room 15 Capitol

**Agenda:** Organizational meeting. Discussion on priorities. Department of Revenue presentation.

### State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Budget hearings concerning: Investment Board, Public Broadcasting, Veterans of Foreign Wars, Military Order of the Purple Heart, and Disabled American Veterans.

### Environment and Agriculture Budget Division

Chair: Sen. Len Price

5 p.m. Room 118 Capitol

**Agenda:** Department of Finance budget overview.

## Wednesday, January 31

### Crime Prevention Committee

Chair: Sen. Jane Ranum

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Jobs, Housing and Community Development Committee

Chair: Sen. Ellen Anderson

9 a.m. Room 123 Capitol

**Agenda:** Promoting Affordable Housing.

# Preview

## **Agriculture, General Legislation and Veterans Affairs Committee**

*Chair: Sen. Steve Murphy*  
10 a.m. Room 107 Capitol

**Agenda:** S.F. 47-Dille: Allowing certain members of the Minnesota Agriculture Education Leadership Council to designate permanent or temporary replacement members. S.F. 30-Dille: Appropriating money for an agriculture in the classroom education specialist. S.F. 206-Larson: Relating to partition fences; limiting the application of certain procedures.

## **Education Committee**

*Chair: Sen. Sandra Pappas*  
1 p.m. Room 123 Capitol

**Agenda:** Governor's budget proposal for state take-over of E-12 funding; Commissioner Matt Smith, Assistant Commissioner Jenny Engh, and Gordon Folkman, Dept. of Revenue; Tom Melcher, Dept. of Children, Families and Learning; Natural Step for Education and Sustainability, Terry Gips, president, Sustainability Associates.

## **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*  
1 p.m. Room 15 Capitol

**Agenda:** Dental access study, Department of Human Services. Closure process report and relocation study, Department of Human Services.

## **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*  
4 p.m. Room 118 Capitol

**Agenda:** Budget overviews for Horticulture Society, Board of Animal Health and the Agriculture Utilization Research Institute.

## **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*  
4 p.m. Room 123 Capitol

**Agenda:** Governor's Budget Summary Overview of: Department of Corrections; Crime Victims Services; Ombudsman for Corrections; Department of Veterans Affairs Board; Health Boards; Council on Disability; Ombudsman for Mental Illness

and Mental Retardation; Ombudsman for Older Minnesotans; Ombudsman for Families; and Ombudsman for State Managed Health Care.

## Thursday, February 1

### **Rules and Administration Subcommittee on Permanent and Joint Rules**

*Chair: Sen. John Hottinger*  
8 a.m. Room 107 Capitol

**Agenda:** Continuation of proposed changes to the Senate Rules.

### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*  
8 a.m. and immediately following session  
Room 112 Capitol

**Agenda:** To be announced.

**The Senate will be in session at 9:30 a.m.**

### **Joint Senate and House Environment and Natural Resources Committee**

*Co-Chairs: Sen. Jane Krentz and Rep. Dennis Ozment*

10:15 a.m. Room 123 Capitol

**Agenda:** Office of Environmental Assistance: 2001 Biennial Report; Department of Administration: procurement and recycling issues; MN Soft Drink Association & Recycling Association of MN: recycling and public education.

### **Capital Investment Committee**

*Chair: Sen. Keith Langseth*  
1 p.m. Room 123 Capitol

**Agenda:** Presentation on "Capital Investment Process" from the MN Department of Administration.

### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*  
1 p.m. Room 107 Capitol

**Agenda:** Confirmation hearings: Lawrence Gorrell, Russell Sharon, George Sutton, Board of the Arts. Frank Hornstein, Metropolitan Council. Julien Clark Carter, Commissioner of the Department of Employee Relations. Thomas Barrett, Executive Director of the Gambling Control Board.

### **Telecommunications, Energy and Utilities Committee**

*Chair: Sen. James Metzen*  
2 p.m. Room 15 Capitol

**Agenda:** Telecommunications issues.

### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*  
4 p.m. Room 118 Capitol

**Agenda:** Budget overviews for the Zoological Gardens and the MN-WI Boundary Area Commission.

### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*  
4 p.m. Room 107 Capitol

**Agenda:** To be announced.

### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*  
7 p.m. Eagle Lake, MN

**Agenda:** Governor's tax proposals.

## Friday, February 2

### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*  
9 a.m. Room 15 Capitol

**Agenda:** To be announced.

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# Minnesota Senate 2001

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DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzgen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*A view of the corridor on the north side of the grand staircase leading to the Senate Chamber.  
Photo by David J. Oakes*



February 2, 2001

# Senate Highlights

## Emergency fund release okayed

The Senate again held brief floor sessions Mon., Jan. 29 and Thurs., Feb. 1, in order to process bill introductions and facilitate the movement of bills between committees. In addition, members granted final passage to a bill authorizing the release of federal funds for the emergency energy assistance program. Sen. Richard Cohen (DFL-St. Paul), chief author of the measure, H.F. 421, said the bill is needed to allow the Dept. of Economic Security to release and disperse federal funds. He said the agency needed the authorization in order to expedite the dispersion of \$12.195 million in federal funds for energy assistance. The bill was passed on a 58-0 roll call vote.

## School energy funding bill approved

The Finance Committee met Tues., Jan 30, to consider a bill that appropriates money for school districts to defray unexpectedly high energy expenses. Sen. Douglas Johnson (DFL-Tower), chair of the committee, presided.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chief author of S.F. 28, presented the bill. The measure requires school districts to submit to the commissioner of

children, families and learning the anticipated heating and transportation fuel costs for the 2000-01 school year. It directs the commissioner to calculate how much these costs increased from the previous year for each district and to reimburse 97 percent of the increase. The bill includes an appropriation of not more than \$30 million from FY 01 and directs the commissioner in the handling of shortfalls or overpayments. Bob Meeks of the Minnesota School Board Association said that the high prices for heating fuel and gasoline have created a true emergency for school districts. He said it is important to provide aid now so that schools can pay the bills and avoid having to cut budgets for next year based on the recently inflated expenses.

Sen. Charles Berg (R-Chokio) said the bill will cause a variety of state-supported facilities to ask for the same kind of aid and asked, "How are we ever going to stop this?" Sen. Sheila Kiscaden (R-Rochester) agreed that emergency funding for energy related costs should not be handled piecemeal.

She also questioned whether the situation represents a true emergency for schools and suggested that there are other ways to cope with the increased expenses. Sen. Dick Day (R-Owatonna) said that the

general public is also facing high energy bills and said that the bill is "the start of the unraveling of the rebate checks promised to taxpayers." Douglas Johnson said that Minnesotans are willing to balance their desire for rebates with the their recognition of needs that have to be met.

Sen. Pat Pariseau (R-Farmington) offered an amendment which appropriates the \$30 million from FY 02 instead of FY 01. The amendment was rejected by a vote of 19 - 13. Kiscaden moved that the bill be laid on the table pending a broader discussion of other state facilities needing energy aid. The motion failed by a vote of 19 - 12. The bill was approved by a roll call vote of 23 - 9 and advanced to the Senate floor.

## Companion animal bill okayed

The Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Jan 26, to hear four crime bills. Sen. Charles Wiger (DFL-St. Paul) initiated the morning discussion by presenting S.F. 7, a bill he authored to impose criminal penalties for killing or harming animals trained to assist persons with disabilities. Wiger said that other states have similar laws but that the restitution feature written into his bill differentiates it from most others.

Several witnesses testified in favor of the bill, relaying concerns about the safety of the animals as well as the need for recourse should the guide dogs be attacked. Ed Riege, a St. Paul resident who has used guide dogs for 32 years, said his animals have been attacked by dogs whose owners were negligent in controlling their pets. Also testifying on behalf of the bill, Thomas Heinel spoke as an advocate for the American Council of the Blind of Minnesota. He told the panel that it costs between \$35,000 and \$50,000 to purchase and train a guide dog.

Another citizen, Mary Jean Hoover, reading from a Braille statement, emphasized the emotional benefits and mobility provided by her guide dog. In response to a question by Sen. Grace Schwab (R-Albert Lea), Heinel said he believed that approximately ten percent of blind people in Minnesota have guide dogs. Judy Sanders, legislative coordinator for the National Federation of the Blind in Minnesota, added that many hearing-impaired and people in wheelchairs also use dogs.

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Sen. Don Betzold (DFL-Fridley) said he was troubled by the mandatory restitution portion of the bill because the provision might open the door for similar features in other bills. Senate counsel advised that under current felony law, provisions are in place to allow for restitution, and that retaining the language in S.F. 7 merely serves as a reminder to judges that restitution may be imposed. Betzold offered an oral amendment to delete portions of the bill that referred to restitution. The amendment was adopted. S.F. 7 was recommended to pass as amended and sent to the Senate floor.

In other committee action, Sen. John Marty (DFL-Roseville) presented a bill that requires the state fire marshal to adopt rules for fire retardant standards for cigarettes by July 2003. The bill specifies that cigarettes sold, offered for sale, or manufactured in Minnesota must comply with the standards. The measure also requires that persons engaged in the manufacture of cigarettes provide a written certification to the Fire Marshal that the manufacturer's products meet the required standards. Marty said S.F. 98 was "a very simple bill," dealing with legislation that hasn't been considered since 1997. According to Marty, an average of 17 people die in Minnesota each year because of cigarettes that ignite mattresses and other furniture. Cigarette companies have said that designing cigarettes to be less flammable was impossible, but independent studies have proven otherwise, said Marty.

State Fire Marshal Tom Brace said 83 percent of fire deaths occur in the residential population and that careless smoking is ranked the 7th cause of fires in the country—and the number one cause of fire deaths in Minnesota. Over the span of 10 years, he said, 83 firefighters have been injured fighting cigarette-related fires. Minnesota Professional Firefighters President Mike Stockstead said that cigarettes are frequently used as the igniting material in arson cases.

Speaking in opposition to the bill on behalf of tobacco manufacturers, Jim Gould, a Washington D.C.-based attorney for the Covington & Burling law firm, said "Cigarettes burn, that's what they are meant to do, and no law can prevent the small number of people who cause fires from starting fires." Gould said that any regulation should be worked out at the

federal level, since it affects interstate commerce. One issue that should concern consumers, he said, had to do with the toxicity involved when adding a fire retardant to cigarettes. Gould said that consumers might refuse to smoke them, which could mean the loss of cigarette tax revenues to the state of Minnesota. In answer to that, Sen. Jane Krentz (DFL-May Township) said the savings in terms of human lives and health care costs would more than make up for the loss of cigarette tax revenues.

Marty said that some cigarette manufacturers use additives that allow their brands to burn more easily. The Phillip Morris Company, he said, makes Merit, a brand which uses a ridged paper design to slow the burning process. The technology for making cigarettes burn more safely is there, he said.

Betzold said he was concerned about the effective date in the conditional repealer portion of the bill. That portion states that if federal fire-retardant cigarette standards are enacted that preempt the measure, the bill would be repealed. Betzold offered an oral amendment to allow an effective date to begin six months following the date the federal government enacts standards. The amendment was adopted and the S.F. 98 was recommended to pass and re-referred to the State and Local Government Operations Committee.

Ranum presented S.F. 172, a bill that limits the number of offenses that qualify as juvenile petty offenses. According to Ranum, juvenile petty offenders are not subject to dispositions involving out-of-home placements and do not have a right to appointment of a public defender or other counsel at public expense. She said that most misdemeanor-level offenses are considered juvenile petty offenses, with some exceptions. Under current law, juvenile petty offenses include alcohol offenses, controlled substance offenses and violations of local ordinances, which prohibit conduct by a child under the age of 18 years and which would be lawful conduct if committed by an adult. The bill is crafted to provide that misdemeanor-level violations of the domestic abuse order for protection (OFP) law or harassment restraining order law are not petty offenses, but are adjudicated under the delinquency rather than the juvenile petty offender provisions of the juvenile code.

Deputy Hennepin County Attorney Pete Cahill said "The highest priority is to get children to court quickly." He said that in many cases, longer probation periods and more counseling is needed—and that S.F. 172 addresses the needs of offenders that are not dealt with under the juvenile petty offender status. Cahill estimated that an average of 25 cases would be impacted per year in his county. The bill was recommended to pass and referred to the Senate floor as a Consent Calendar measure.

Ranum also authored S.F. 229, a bill to amend the criminal records expungement law. The measure requires that a petition for expungement must include the names of the victims of the offense. The bill also requires that the petition for expungement and proposed expungement order be served on any victims of the offense for which the expungement is sought. Ranum described a situation in which a sex offender had been convicted 10 years ago, completed treatment and turned his life around. She said the attorney for the offender claimed the person's record should be expunged, but the county attorney argued against expungement and the probation officer asked for a statement from the victim. Under current law, expungement laws don't require notice to the victim.

Ranum asked Dept. of Human Services Director of Licensing Jerry Kerber if sealed or expunged records can be used for background checks at the Bureau of Criminal Apprehension (BCA). He said when records are sealed or expunged, we don't become aware of them. Members voted to recommend the passage of S.F. 229 and referred it to the Senate floor.

### **Correction:**

In the Jan. 26 issue of Briefly, a report on the Thurs., Jan. 18, meeting of the Health, Human Services and Corrections Budget Division was in error. Frank Iossi of the Mayo Clinic and Mayo Health System was misquoted as saying he would particularly like the Medicaid surcharge repealed. Iossi said Mayo Clinic and the Mayo Health System pay \$5 million in Medicaid surcharge, but their highest priority is repeal of the MinnesotaCare tax. Mayo pays \$18 million, or 14 percent of all provider tax collections.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Ag education bills approved

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), met Weds., Jan. 31, to consider three bills. S.F. 47 and S.F. 30, two bills promoting agriculture education, were authored by Sen. Steve Dille (R-Dassel) and were approved by the committee. S.F. 206, a bill on fencing laws, authored by Sen. Cal Larson (R-Fergus Falls), was laid on the table.

Specifically, S.F. 30 appropriates \$75,000 a year to the commissioner of agriculture for an educational specialist in the Minnesota Agriculture in the Classroom (M-AITC) program. Steve Pooche, chair of the M-AITC, explained that the position is currently filled on a temporary basis, but the M-AITC hopes to make the position permanent. Pooche said, "There's fewer and fewer teachers that grow up with agriculture and most [teachers] are uncomfortable teaching it in the classroom." Susan Anderson, the current temporary education specialist who will become permanent if the bill passes, said her teaching experiences have shown her the need for agriculture education. She said she has been traveling around the state helping educators integrate agriculture into the classroom. Anderson said of the program, "I can't tell you how successful it's been and how it's growing beyond our expectations." The bill was sent to the Finance Committee with a recommendation to pass.

S.F. 47 allows ex officio members of the Minnesota Agriculture Education Leadership Council (MAELC) to designate replacement members. Pat Plonski, executive director of the MAELC, explained that the council works to increase enrollment in agriculture education programs by offering undergraduate scholarships and grants to high school agriculture programs. Sen. Charles Berg (R-Chokio) asked how much the program costs, and Plonski said the total cost is \$300,000 a year. Plonski added that while the budget is currently part of base funding for the U of M, the sunset date for the program is approaching. Sen. Dallas Sams (DFL-Staples) offered an amendment to extend the sunset date to 2005, saying "It's

been a very successful program, both at the secondary and post-secondary level." The amendment was adopted and the bill was sent to the State and Local Government Operations Committee with a recommendation to pass.

S.F. 206 changes the fencing law so that if only one landowner along a division line wants a fence erected, that landowner must bear the full cost of the fence. Larson offered a strike-everything amendment based on the House version of

the bill that clarifies the authority fence viewers have to settle a controversy between landowners. He said he is acting on behalf of a constituent who has a fencing dispute. Berg said the fencing laws have stood the test of time and it is a mistake to change state law for one constituent. Bruce Kleven of the MN State Cattleman's Association said there is a provision in fencing law that allows eight people to get together and change the law just for their township. Larson



*Otis, a seeing-eye dog, obediently lies beneath Ed Riege's chair during a meeting of the Senate Crime Prevention Committee Fri., Jan. 26. The committee heard testimony in support of a bill to increase the penalties for causing physical harm or death of a seeing-eye dog.*

Photo by Shelley Hawes

offered to withdraw the bill. Sen. Jim Vickerman (DFL-Tracy) said, "I don't think you could put a bill together that would satisfy everybody." The bill was laid on the table.

## Capital Investment

### Spending proposal examined

The Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), met Thurs., Jan. 25. The committee heard a presentation of the governor's capital spending proposal by Lee Mehrkens, capital budget coordinator for the Dept. of Finance.

Langseth began by asking how the administration created the proposal, since organizations statewide had not had a chance to submit official bonding requests. Mehrkens said the administration developed its recommendation based on last year's requests and preliminary requests from organizations. He said that if the Legislature complies with the governor's desire to adjourn sine die at the end of the current session, a capital budget bill will have to be passed now rather than waiting, as is the usual practice, until the even-numbered year of the biennium. Langseth said the Legislature will not adjourn sine die.

The governor's proposal, as outlined by Mehrkens, contains \$365 million in "asset preservation" projects and \$211 in "strategic initiatives" (new buildings or projects). Langseth said that in the past a greater percentage of capital spending was devoted to new building. The asset preservation side of the proposal allocates money for the upkeep of Minnesota State Colleges and Universities (MnSCU) campuses, repairs of state agency buildings and DNR facilities, bridge repair and replacement, replacement of Metro Area and statewide transportation facilities, repairs to Veterans Homes. The proposal also includes \$3 million for renovation of the Capitol building electrical system and \$4 million for repairs to the governor's residence.

Sen. Deanna Wiener (DFL-Eagan) said she thought more should be done for MnSCU, since it has a \$500 million backlog. Mehrkens replied that it is financially unlikely the backlog can be dealt with in one session. It will be "a multi-year process if we are ever going to melt the capital iceberg," he said. Wiener also raised a point about the governor's

mansion later in the meeting. Mehrkens said the governor wants to "foster discussion" about whether it is best to do extensive repairs to the residence or find a new facility altogether. Wiener said the governor should recognize that higher education institutions face the same decision about whether to invest in building care or build new facilities. Langseth suggested that the official residence be moved to the James. J. Hill House, since governors seem to do little more than hold receptions at the official residence. Sen. Richard Cohen (DFL-St. Paul) said it is only the past two governors who have not lived in the governor's residence.

Cohen said he is even more distressed than earlier that the administration has broken faith with statewide organizations by not giving them the chance to submit an official bonding request. He said the administration put together its own approach irrespective of MnSCU. Mehrkens responded that it is no particular mystery what local projects want funding and he has every reason to hope the projects picked are the top priority.

Sen. Cal Larson (R-Fergus Falls) asked when the lease will be up on the Dept. of Agriculture Building, for which the state is paying a high rent price. Mehrkens agreed that the building is expensive and said the lease will be up in five years. Larson suggested that the agency could be relocated out of the Metro Area, saying it makes sense for it to be near agriculture.

Sen. Steve Dille (R-Dassel) asked why \$1 million is appropriated for demolition of the vacant Bureau of Criminal Apprehension Building, and what use will be made of the empty lot. Mehrkens replied that renovations on the building are not worthwhile and said another government agency will probably be interested in the site.

Mehrkens then outlined the strategic investments portion of the governor's recommendation. The proposal includes \$115 million for the Northstar Commuter Rail Line between St. Cloud and Minneapolis, \$20 million for agricultural loans through the Rural Finance Authority, \$50.8 million for a clean-up of the Minnesota River and money for transitional housing and wastewater pollution control programs.

Langseth noted that Northstar funding comprises 20 percent of the capital budget proposal, and said that does very little for

the rest of the state. Mehrkens explained that only \$7 million is needed immediately for design projects, but the state is required to give full funding support in order to be eligible for a federal grant. The state, he said, will end up paying 40 percent of the total commuter rail cost and 50 percent of the cost for a light rail connection between St. Paul and Minneapolis. Cohen said he believes an agreement was made that the second light rail route will be in St. Paul. Mehrkens said he thought the proposed St. Paul busway took the place of light rail, but Cohen disagreed.

Sen. Linda Berglin (DFL-Mpls.) said she had expected to see funding in the capital spending proposal for low-income assisted living. She said that if the state hopes to de-emphasize nursing home care it needs to be sure that low-income elderly and disabled people have a place to live. Mehrkens said he was not involved in the discussions Berglin referenced.

Langseth closed the meeting by calling the administration's recommendation not all that sincere an effort to provide for capital spending needs for a full two years. However, certain projects, he said, need to be acted on this year. He said it would be a dereliction of duty if the Legislature left without doing anything.

## Crime Prevention

### Two bills considered

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Weds., Jan. 31, to hear two bills. Sen. Cal Larson (R-Fergus Falls) presented S.F. 103, a bill that suspends for one year the driver's license of a person convicted or adjudicated delinquent for stealing gasoline. Larson said his bill addresses the lost income of gasoline station owners in cases where customers fill their gas tanks and drive away without paying. "Owners can't afford the losses," he said.

Minnesota Service Station Association Executive Director Greg Headrick said that the problem of gas theft has always been an issue, but the problem has worsened since prices have risen dramatically. It is not unusual, he said, for vehicles with large capacity tanks to drive away without paying for \$150-worth of gas.

Sen. Don Betzold (DFL-Fridley) said that while traveling, he found that gas

# Committee update

stations in California require that customers pay for gas prior to fill-up. Rather than legislating a penalty for gas theft, Betzold said he thought it made more sense for station owners to invest in a system that would remedy the problem. He also stated that he was uncomfortable about taking up the time of police officers and taking court time, when owners have a responsibility to protect their own interests. Ted Browser, owner of three local gas stations, said that pre-pay systems are user-unfriendly. He said pre-payment is inconvenient and that he would lose customers to the larger gas providers who did not require pre-payment. According to Browser, he loses approximately \$10,000 annually due to gas theft. "These people who steal gas are professionals who come every week," he said. "They know when to come, which pumps to use and how to obscure their license plates in order to prevent identification," he said.

It makes more sense to me if offenders were fined and owners were reimbursed, said Sen. Linda Berglin (DFL-Mpls.). Headrick said that current law allows a \$700 fine in misdemeanor-level penalty provisions, but added that it is rarely enforced.

Members discussed the proportionality of the penalty in comparison to DWI penalties that revoke the driver's licence of offenders. Sen. Thomas Neuville (R-Northfield) made the distinction between license suspension under S.F. 103 and license revocation under DWI provisions, and said that proportionality in this case was not an issue because revocation is permanent and suspension is not. Members voted to recommend that the bill pass and that it be re-referred to the Transportation Committee.

Sen. Leo Foley (DFL-Coon Rapids) presented S.F. 271, a bill that requires the superintendent of the Bureau of Criminal Investigation (BCA) to conduct periodic background checks on managers of rental property. Foley also presented an author's amendment that changed the "twice annually" background check requirement to "once every two years." Foley said that S.F. 271 amends legislation enacted several years ago to address the death of a woman killed by the manager of her apartment. No provisions were made at that time for post-hire background checks that would indicate whether or not subsequent crimes had been committed since hiring.

In response to a cost question from Neuville, BCA Criminal Justice Information Systems Unit Director Steve Correll said background checks cost the state \$15, a federal level check costs \$24. Berglin said she thought the checks "probably have a deterrent effect," since those who know their records will become known would not apply for housing management positions.

Sen. Jane Krentz (DFL-May Township) suggested a different proactive approach. She said that once a crime occurs, notice could go out to apartment managers who would have a list of people not suitable for hire. Berglin said she thought it was a good idea to have a registry of apartment managers but that it would be more expensive to maintain than implementing and enforcing Foley's bill. Several members questioned the scope of the problem and requested more information. Following further discussion, the bill failed on a voice vote.

## E-12 Education Budget Division

### Overview of governor's E-12 plan

The E-12 Education Budget Division met on Mon., Jan. 29. LeRoy Stumpf (DFL-Thief River Falls) called the meeting to order and introduced Tom Melcher from the Department of Children, Families and Learning (CFL). Melcher continued the overview of the governor's FY 2003 education plan that was begun at the Jan. 24 meeting.

Melcher said the governor was speaking to revenue distribution concerns contained in the general education revenue per pupil unit percentile analysis that was distributed to committee members. The analysis outlined a comparison of current law versus the governor's proposals and documented the dollar difference between them. He said there is no significant change in the gap from high-end to low-end of the percentile scale in the governor's proposal. Sen. Kenric Scheevel (R-Preston) asked if the governor is trying to eliminate some of the complicated formulas and redistribute monies on a per pupil basis. Melcher said, "Yes."

The governor's recommendation for general education funding was also outlined by Melcher. He said the basic revenue is raised from \$3,964 per pupil units to \$4,461 per pupil units under the new proposal. He also indicated 14 areas

in which education revenues would be calculated differently or changed under the proposed plan.

In his presentation of the debt service equalization plan, Melcher said the district adjusted net tax capacity (ANTC) per pupil unit would change from a single to a double tier system. Under the present system, \$4,000 is allocated. Under the proposed system, he said, the first tier, that portion of the levy tax rate that falls between 12 percent of ANTC and 20 percent of ANTC, would be \$5,000. The second tier, he said, that portion of the levy exceeding 20 percent of ANTC, would be \$9,000. Melcher also pointed to changes in the gross bonding limit, the capital loan threshold, repayment of capital loans and the state's share of eligible revenue.

## Higher Education Budget Division

### U of M policies reviewed

President Mark Yudof outlined the policies of the University of Minnesota for the Higher Education Budget Division Mon., Jan. 29. Chair Deanna Wiener (DFL-Eagan) said, "The governor has brought forth his budget, and it is his value statement on the role of higher education. In the next months, the Legislature will put forth its budget. I hope it will place a much much higher value on education."

According to the Governor's budget proposal, Governor Jesse Ventura has recommended an increase of \$21.391 million in FY 2002 and \$27.227 million in FY 2003; the money will cover only 75 percent of the 3 percent inflationary adjustment for faculty and staff compensation. Yudof said that the governor's recommended budget allocation to the University would not be enough funding to cover the rising costs of education. "The University is going to be left in the dust, no doubt about it," he said.

Christine M. Maziar, vice president for research and dean of the graduate school, said, "There are multiple ways of measuring the impact of the University on the state's economy." According to Maziar, there are more than 450 revenue producing patents held by the University and 70 patents are successfully earned each year. She said the University brings in more than \$455 million in research funding each year; most of the money is spent on hiring researchers, who remain in the state. Yudof

said, "We grow our own." He explained it was more affordable to hire professors who had been research assistants or associate professors at the University than "stealing super stars or buying Nobel laureates." Robert H. Bruininks, executive vice president and provost, said the University attracts innovative people to the state. "The magnet effect is phenomenal," he said.

Yudof said the University could not afford to compete with other schools in all its programs but should aim high in all areas and make priorities. "We can't be the best in every field," he said. "We have a world class cancer center, but our emergency medical center won't be world class. But it's going to be good, really good." He said the University targeted five areas based on technological advancement and future workforce needs: digital technology, molecular and cell biology, design, new media and agricultural research and outreach.

Yudof said that the University will face a 50 percent faculty turn-over rate in the next 10 years because several baby-boomers will retire and teaching jobs in technology areas do not pay competitive salaries.

He also said teaching positions that were cut during the fiscal crisis in the 1980s are being replaced, further straining the workforce development needs of the University.

Sen. Steve Kelly (DFL-Hopkins) questioned whether offering web courses could reduce the need for additional faculty. He asked, "Why, with the technology available today, would anyone still lecture?"

Yudof replied that "When Gutenberg invented the printing press, people thought lectures would go away because everyone would simply read the texts, but that didn't happen. Through the invention of the printing press, telephone, Internet, the need for human interaction has remained."

Bruininks said that the Virtual University project did offer several online courses. "Minnesota could invest more money in web offerings," he said. "But it would need to do so wisely. As we move into this area, we need to do careful market research." He said that online courses were taken more often by students on campus than by the long distance learners or full-time workers for which the classes were designed.

Yudof praised the success of the new Legislature-funded "first-year experience" program, which developed small seminar-style classes for first-year undergraduate students. He said the students in the program get more personalized feedback from their professors. Sopanha Te, a junior at the University of Minnesota-Twin Cities campus, said, "When I told people I was going to the University of Minnesota they said that I would be swallowed up and become just a number. I made the right choice in not listening to them." She said her teachers gave her one-on-one attention and provided valuable career advising.

## Education Committee

### E-12 state funding plan heard

The governor's budget proposal for E-12 state funding was discussed in the Education Committee meeting Weds., Jan. 31. Chair Sandra Pappas (DFL-St. Paul) called the meeting to order and introduced Commissioner of Revenue Matt Smith, who outlined the plan for the committee. He said the governor's proposed education budget is \$6.9 billion, an increase of \$79 million. Smith also said that the proposal calls for an increase in the state's portion of education funding of 15 percent. Funding would go from 70 percent to around 85 percent under the governor's plan, he said. Sen. Linda Scheid (DFL-Brooklyn Park) said, "The governor is making the assumption that what we're spending on local education is where we want to be."

Smith indicated that there are four elements to the governor's proposal. First, he said, the governor proposes a property tax decrease of \$800 million and wants the taxes controlled locally. Secondly, the plan calls for referendum equalization which is accomplished by raising the amount of money the state funds per pupil from \$415 to \$600. This equalizes funding differences between high-wealth and low-wealth districts, he said. Smith added that the measure also includes an increase in the cap on referendum revenue from \$991 to \$1,115. Another element of the plan calls for widening the tax base, Smith said. He cited extending the sales tax to services as an example. Lastly, he said, the sales tax would be lowered from 6.5 percent to 6 percent. Sen. Lawrence Pogemiller (DFL-Minneapolis) said, "We can have tax relief or fund education under the governor's plan."

Pappas said, "If the governor is attempting to provide a fair funding system for schools, did he consider having the state pick up funding for special education?" The governor is not pursuing this avenue because he feels the federal government should be assuming the responsibility, said Smith. Sen. Deanna Wiener (DFL-Eagan) asked if the whole plan would be affected if one part of the plan doesn't pass. Smith said it would depend on which part passed and which part didn't pass. Wiener asked if there is a way to incrementally make changes. Smith said that some elements of the plan can be made incrementally and some cannot. Sen. Martha Robertson (R-Minnetonka) said, "basic education full-funding" needs to be defined. Additionally, she said the committee should be thinking about how funding needs to flow to the district from local and state sources, and how to define and fund the total education package.

## Environment and Natural Resources

### Lake levels, lottery proceeds discussed

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township) recommended two bills to the floor Thurs., Jan. 25. S.F. 79 was authored by Sen. Debbie Johnson (R-Ham Lake). The bill resolves a controversy over lake level control for Coon Lake in Anoka County. Director Kent Lokkesmoe of the DNR Division of Waters explained that the DNR removed sediment from the lake outlet in 1996. This caused the lake level to drop about one foot and led to complaints from homeowners. The bill allows the DNR to install an experimental structure in the outlet that will reduce the outlet discharge capacity and raise the lake level about six inches. The change, Lokkesmoe said, will not raise the lake past the pre-1996 level. Sen. Dennis Frederickson (R-New Ulm) offered an amendment to allow the DNR to remove the structure if problems arise. The amendment was adopted.

The bill is supported by 75 percent of lakeshore owners, according to a survey. Al Beck, president of the Coon Lake Association, testified on behalf of supporters. He said many homeowners had spent large amounts of money for projects like

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lengthening docks to reach a water depth suitable for boats. Opponents of the bill were homeowners whose property will be adversely affected by a rise in lake level. The committee voted to send the bill to the floor with a recommendation to pass.

S.F. 153 was described by Krentz, the bill's author, as restoring the policy of putting 97 percent of lottery proceeds into funds that support Minnesota's natural resources. At the end of the 2000 session, the level had been lowered to 87 percent to make money available for payment-in-lieu of taxes to county governments, Krentz said. She said there was an understanding that the higher level of funding would be restored for FY 2002, making approximately \$5 million more available for natural resources projects. Judy Erickson of the MN Parks and Trails Council said the bill affirms the Legislature's support of natural resources projects, especially in light of the fact that the governor's budget proposal reallocates \$1.4 million away from the DNR.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said if the bill is passed it will mean there is \$5 million less for tax cuts. Sen. Charlie Berg (R-Chokio) said the budget surplus is being "nibbled to death by a duck." Krentz replied that most bills a Senator carries, including one Stumpf had recently authored, take money away from the general fund, and in her opinion lottery proceeds "should go to the reasons that the people voted to put the lottery in." Sen. Jim Vickerman (DFL-Tracy) asked about the governor's stance on the bill. Krentz said she isn't sure of his position, but feels the bill is worthy of support regardless of the governor's opinion. The committee approved the bill and sent it to the Taxes Committee.

## Children's health overviews heard

The Joint House/Senate Children's Environmental Health Working Group met for the first time Mon., Jan. 29, to hear presentations from several agencies. Co-chairs Sen. Jane Krentz (DFL-May Township) and Rep. Kathy Tingelstad (R-Andover) presided.

John Helland of the House of Representatives Research Department reported on action other states had taken to address children's environmental health. He began by pointing out that children are more susceptible to environmental hazards because they breathe more air, drink more fluids and eat more food proportional to

their body weight. Children from low-income families have an even greater risk, he said, because they are more likely to be exposed to poor quality air, lead-based paint and industrial waste. Helland cited the rate of asthma among children, which has doubled in the last 20 years, as a problem which could benefit from environmental health initiatives.

Helland mentioned three states that have taken legislative action to combat the environmental problems affecting children. California, he said, passed a law in 1999 setting up a council to review current air quality standards and set new ones. Maryland passed a law in 2000 creating an advisory council to coordinate the efforts of various agencies and make recommendations for rules regarding children's environmental health. In Michigan a bill was introduced to create a council that will review proposed legislation for its impact on children's health.

Next, Assistant Commissioner Aggie Leitheiser, Dept. of Health, outlined the governor's initiative "Healthy Kids Learn." The governor's plan, she explained, uses money from the tobacco settlement to create an endowment to promote a healthy environment for children. Leitheiser cited a study saying that healthy children with high attendance rates are more likely to do well in school. The governor's plan, as outlined by Leitheiser, calls for the creation of a state-level steering committee that brings together the school district, health experts and business and community leaders to develop plans to address environmental problems facing children. Leitheiser said three of the most pressing problems are asthma, autism and immunization compliance. By FY 2004, Leitheiser said, \$4.7 million will be available to provide grants to school districts to address any environmental health problem. The final goals for the initiative are to improve indoor air quality in schools, reduce hospitalization rates for asthma, increase immunization compliance, assess which chemicals used in schools are most dangerous and promote the screening of children for autism, Leitheiser said.

Representatives had questions regarding immunization and autism. Leitheiser said that the causes of autism are not known, so efforts will focus on early identification of the disorder. She said immunization compliance is lower than it was in the past because the immunization schedule has grown to be extremely

complicated, and parents lack information about when immunizations are needed. Sen. Twyla Ring (DFL-North Branch) said, "We have to put our money where our mouth is if we really want immunizations." Leitheiser pointed out there is funding in the initiative for regional immunization information systems. Krentz said the administration should make the grant application process simple so that school funds are not wasted on grant writers. Sen. Leonard Price (DFL-Woodbury) noted that the governor's plan puts a lot of emphasis on immunizations, and stated that there should also be a focus on indoor air quality. Leitheiser replied that \$4.7 million was available in grant money for any project that a school district deemed important. Price also asked if the plan is controversial, and Leitheiser said it is since many other people have suggestions for how to use the tobacco settlement money.

The third presentation of the meeting was a report on an assessment done by the Dept. of Agriculture of the use of integrated pest management (IPM) in public schools and state owned-buildings. John Peckham of the Dept. of Agriculture explained that inspectors had been sent to 20 schools and 4 state-owned buildings throughout Minnesota to informally assess their knowledge and use of IPM. Jeanne Ciborowski, also of the Dept. of Agriculture, said the investigation found that people at most facilities are familiar with IPM, but few of the buildings actually had a written pest control policy. She said the assessment found that schools consider health concerns, environmental impact and effectiveness of pest control in choosing a pest control method. The main recommendations of the assessment are to promote the development of written IPM policies at schools and state-owned buildings, encourage those who apply the pesticide to be trained, make information about pest control readily available and designate one person to be in charge of pesticide application at each facility.

Ring encouraged members of the working group to read the report, saying it is comprehensive and informative, and suggested that schools with a written IPM policy should replicate the policy for schools without one to avoid overburdening school boards. Price asked how close the assessment is to a survey. Ciborowski that while the assessment is not extensive enough to be statistically significant, responses were similar among facilities



visited and could be extrapolated to sites across the state.

Finally, Dean Herzfeld, an expert on IPM who works with the University Extension, spoke about some recent successful training events for pesticide applicators. He said it was important for people in management positions, as well as pesticide applicators, to be informed about pesticide use.

## Air quality debated

The Minnesota Pollution Control Agency (MPCA) presented a report on air quality in Minnesota at a meeting of the Environment and Natural Resources Committee Tues., Jan. 30. Debate centered around the link between air quality, health and the methods used to meet the state's energy needs. Committee Chair Jane Krentz (DFL-May Township) presided.

David Thornton and Leo Raudys of the MPCA presented the report. Thornton began by saying that poor air quality has costs in the areas of health, the economy and quality of life. Benzene and diesel exhaust, he said, are the most problematic air toxics. Most of this type of pollution comes from vehicles and about a third comes from small stationary sources such as small businesses, he added. Particulate matter from combustion is another concern, Thornton said, but more study is needed to understand how particles blown in from other states affect air quality in Minnesota.

Thornton also said CO<sub>2</sub> emissions in the state contribute to global climate change. Thornton said the national standard for "criteria pollutants" regulated by the Clean Air Act may be lowered, and Minnesota is close to the proposed maximum for ozone and particulates. In general, he said, fossil fuel burning is the largest concern.

Raudys outlined what steps the MPCA plans to take to improve air quality. He said fuel economy is the root of the problem, due to heavier vehicles on the road and more people driving. The agency plans to take action to reduce fuel and energy consumption, substitute cleaner fuels for existing ones and increase the use of technologies that reduce air pollution, he said. Outreach and education will be a central aspect of the MPCA's efforts, according to Raudys. By 2010, he said, the agency hopes to reduce particu-

late emissions and ozone-causing pollutants by 20 percent, reduce measured concentrations of air toxics to below health benchmarks, and set a global climate change goal by 2001.

Sen. Pat Pariseau (R-Farmington) questioned how the MPCA backs up its benchmark levels for pollutants in the absence of official federal standards, and how the agency determines what levels are high enough to cause health problems. She pointed out that the proposed 2.5 micron standard for particulate matter (PM<sub>2.5</sub>), which Minnesota may adopt, is now being challenged in the U.S. Supreme Court. Thornton said that the PM<sub>2.5</sub> standard, while not an official federal standard, was developed by the U.S. Environmental Protection Agency (EPA), and the Dept. of Health also advises the MPCA on benchmarks.

Sen. Dan Stevens (R-Mora) said he found the statistic that 70,000 deaths in the U.S. each year are due to particulate matter somewhat arbitrary and capricious. He said to improve air quality "we're going to spend a lot of time and effort. I would like to know for that cost what are we going to achieve?" Raudys said the MPCA report emphasizes a preventative over a regulatory approach. He said approaches such as using cleaner fuel and reducing consumption on the individual level have no extra cost.

Stevens asked whether the agency takes the position that no greenhouse gases are acceptable, pointing out that the earth went through a huge warming cycle after the ice age. He said, "I don't know what fossil fuel our ancestors were burning to warm it up." Thornton said it is still a good idea to reduce the effect of human activity.

Sen. Ellen Anderson (DFL-St. Paul) said that many studies have related deaths to matter in the air. She suggested that having a list of scientific sources would help Senators debate the validity of conclusions regarding air quality. Thornton said MPCA material is heavily cited.

Anderson also asked how many coal plants were "grandfathered in" and still operate without meeting air quality standards. Thornton said only two plants in Minnesota currently meet the most stringent standards. The mass of federal regulations is confusing for utilities, he

said, and much of the particulate matter in Minnesota's air probably comes from other states. Anderson said she found it unacceptable that the MPCA was not proposing action to improve coal plant emissions.

Sen. Steve Dille (R-Dassel) asked whether the agency has considered building a nuclear power plant. Thornton said the agency has not talked at all about nuclear energy. He said the state can meet its energy needs if it practices energy conservation, pursues the use of renewable energy sources and implements "distributed generation," which involves placing small power generators in industrial complexes.

Sen. Bob Lessard (IND-Int'l. Falls) said his impression from other committees is that this approach will not be adequate. He stated, "We're going to be a California in about 10 years if we don't do something." There is a cost to improving air quality, Lessard added, and it is passed on to the people who can least afford to pay it. Sen. Charles Berg (R-Chokio) noted the proliferation of words like "probably" and "maybe" in the agency's report. He said, "I've never considered 'might be' a good solution. You have to look ahead and provide a cushion" in case the agency's approach doesn't work.

Sen. Dennis Frederickson (R-New Ulm) suggested that building a power plant outside Minnesota, in the proximity of coal fields, might be the most efficient approach. Lessard said he sees no problem with that idea as long as Minnesota's energy needs are provided for.

Sen. Jim Vickerman (DFL-Tracy) said he is working on a biodiesel bill and asked for the agency's support in the effort. Raudys agreed that soy diesel is a step in the right direction.

Sen. Linda Higgins (DFL-Mpls.) asked whether the agency is addressing the fact that industrial facilities, even if they operate at a permitted emissions level, can pose a problem if several are concentrated in one area. Thornton said the agency is trying to strategically identify such areas, because trying to broadly address every facility in the state has not been effective.

Sen. Twyla Ring (DFL-North Branch) asked if the agency has looked into using geothermal energy. Thornton said the agency has done no studies in that area and referred Ring to an expert in the agency.

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## Environment and Agriculture Budget Division

### Budget overviews heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), met for the first time Weds., Jan. 31, to hear budget overviews from four organizations. The Agriculture Utilization Research Institute (AURI), the Horticultural Society and the Board of Animal Health outlined the programs and goals of their respective organizations. The Dept. of Finance gave an overview of the environmental and agricultural aspects of the governor's budget proposal.

Edgar Olson, executive director of the AURI, explained that the purpose of the institute is to provide technical assistance and feasibility assessment services to the agriculture industry. The institute, he said, no longer gives loans, but instead advises agriculture entrepreneurs on product development and the opening of new markets for farm commodities. Olson said, "We see our role as a leader in value added agriculture in the state."

Kai Bjerkness of the AURI said the institute does initial project assessment to determine the feasibility of new projects, market assessment to explore opportunities for producers to enter new markets and also promotes the transfer of technology from research outlets to value added opportunities. The AURI often works in collaboration with the Department of Agriculture and the University of Minnesota in developing initiatives for broad impact issues, he said. For example, the institute is helping meat producers expand their market to consumers of different cultures. AURI is also helping grain producers explore the possibility of processing crops into oil in Minnesota, said Max Norris, a scientist at the AURI.

Norris said the institute also focuses on providing direct assistance to clients with novel ideas for using agriculture products. The AURI helped Environmental Dust Control Inc. develop brochures and a web site for its soybean oil based dust suppressant, according to Norris. Ed Wene, a scientist with the AURI, also described efforts to develop hybrid poplar with a high yield and disease tolerance. Sen. Dennis Frederickson (R-New Ulm) asked what the ultimate market for the poplar is, and whether it can be used to

produce energy. Wene said the paper and fiber market is economically more attractive than the energy market, and growers must be protected from being at the mercy of the energy market. Finally, Olson said the institute can operate under the budget proposed by the governor if it works together with other agencies.

Next, Deb Roos, president of the Horticultural Society, outlined the purpose of the society. It publishes the periodical Northern Gardener, offers classes at home and garden shows and has a lending library open to the public, she said. Through the Minnesota Green program, it donates plants to community gardens throughout the state, Roos added. She said the society relies on the state for only eight percent of its budget. Price asked for comments on the governor's budget proposal and Executive Director Marjee Righeimer said the society is content with the current level of funding but plans to develop closer ties to the Legislature in the future and hopefully obtain more state support.

Then Dr. Tom Hagerty, executive director of the Board of Animal Health, explained the board's mission. Hagerty said the board is responsible for protecting the health of domestic animals in the state. One of the board's successful efforts, Hagerty said, is the reduction of pseudorabies infected swine herds from 903 in 1992 to zero now. Dr. Bill Hartman of the Board of Animal Health said efforts are currently focused on controlling John's disease in cattle. The governor is recommending a \$40,000 reallocation from the Companion Animal Resource Education (CARE) program to combat John's disease. Sen. Steve Dille (R-Dassel) said he supports an additional \$250,000 a year for John's disease, saying "Diseases are under control because of a partnership between the taxpayer and the livestock producer." Sen. Pat Pariseau (R-Farmington) asked if disease among wild populations is a concern. Hagerty said the spread of disease is usually not a problem among wild animals. Sen. Jane Krentz (DFL-May Township) said she is concerned about using animal matter as feed in light of the disease problems in England. Hagerty said there is a freeze on allowing any meat and bone meal into the state and reminded Senators that meat and bone feed is an essential method for using up the 40 percent of an animal that is not suitable for human consumption.

Finally, representatives from Dept. of Finance outlined the governor's budget for the environment. John Heintz said the governor's recommendation is essentially a "same level budget." Officer Deb Bednarz said proposed environmental spending from all funds is \$1.2 billion. The governor is proposing a restructuring of the Pollution Control Agency environmental tax system and an elimination of hazardous waste and water quality permitting fees, Bednarz said. She also said the proposal includes \$3.1 million in financial assistance for livestock producers to make environmental improvements in feedlots and \$850,000 in technical assistance to help producers comply with revised rules. Keith Bogut said the governor recommends a limited reallocation of proposed funding for Legislative Commission on Minnesota Resources (LCMR) projects. The capital budget, he said, includes \$39 million in asset preservation and \$81 million in strategic investment.

## Health and Family Security

### Five health bills heard

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Jan. 29. Sams presented the first of five bills on the agenda, S.F. 201.

Sams said the bill repeals rules governing the educational requirements for physician assistants (PAs). According to Sams, rules were put into statutes in 1995 to establish educational standards for PAs. The Board of Medical Practice seemed a more appropriate entity for governing licensing requirements, especially given the ongoing need to update requirements, said Sams. Members voted to advance the bill to the Senate floor as a Consent Calendar measure.

Sen. Cal Larson (R-Fergus Falls) presented S.F. 104, a bill that allows graduates of a foreign dental school to take the examination required for licensure in Minnesota if the training is determined by the Board of Dentistry to be equivalent or higher than that provided by a dental college approved by the Commission on Dental Accreditation of the American Dental Association. University of Minnesota Dental School Dean Peter J. Polverini, DDS, said that there is currently a critical shortage of dentists and hygienists in Minnesota. Dental programs are being established at the Hibbing Community

College in order to train dental students for work in both the rural and Metro Areas. Polverini said there are currently openings for at least 250 dental positions across the state.

Diane Thorson, director of the Ottertail Public Health Dept., emphasized the great need for dental professionals in the Northwest area of the state. She said that the University of Minnesota provides a portable dentistry unit that travels across the region to provide services to refugees who are on Medical Assistance Programs, from Bosnia and Somalia among other countries. The refugees are typically unable or unwilling to travel to the Metro Area for dental care, she said, and added that there is an overwhelming need for more dental care professionals. According to Thorson, the mobile unit saw 1,050 patients over an eight-week period. While talking to patients, Thorson said she learned that some of them had been dental students who were not allowed to practice here because their transcripts and credentials would not transfer under current regulations. Members voted to recommend that the bill pass and advanced the bill to the Senate floor.

Larson presented another bill, S.F. 57, that authorizes the commissioner of health to make grants of up to \$25,000 to nursing homes to equip them with computers and computer peripherals. No amount was specified for the grant program appropriation, but the bill authorizes increasing the property-related payment rate for nursing homes to pay for a technology room in which to house the computer equipment. Larson said he authored the bill so that those in nursing homes would be less isolated and could communicate with grandchildren and others who live far away. The biggest new users of computers are those over age 55, according to Larson. Sen. Leo Foley (DFL-Coon Rapids) said he liked the idea of the bill but considered the more urgent needs of nursing homes—including investing in raising staff salaries—a more appropriate expenditure. Sen. Linda Berglin (DFL-Mpls.) said that in the past, a task force recommended the use of computer palm pilots that nurses could utilize for entering data while making rounds. Berglin said she thought the use of computers to streamline nursing home healthcare functioning was more important than what was being offered in Larson's measure. An amendment was offered and adopted to make the commis-

sioner of human services, rather than the commissioner of health, responsible for approving rate increases under terms provided in the bill. The amendment also restructured paragraphs for clarity and simplicity. Following further discussion, S.F. 57 was recommended to pass as amended and re-referred to the Health, Human Services and Corrections Budget Division.

A bill to modify the licensing requirements for alcohol and drug counselors was presented by Sams. According to Sams, the counseling practice status of approximately 100 people is jeopardized because of the financial insolvency of the private company that awards credentials to alcohol and drug counselors in the state. The organization no longer provides the exam, leaving those trained to begin practice without the required process for licensure. The bill, S.F. 289, sets forth the terms of an applicant's alcohol and drug counseling practicum and permits applicants to practice before being licensed if the person submits verification of a current and unrestricted credential from a national certification body or from another state, U.S. territory, or federally recognized tribal authority. The bill also changes time limitations for temporary practice status and extends the examination date for counselors practicing without a license. In the future, the Department of Human Services will provide the exam, according to Tom Hiendlmarr, Dept. of Health. The measure was recommended to pass and re-referred to the Finance Committee.

Foley presented S.F. 58, a bill instructing the revisor of statutes to change a phrase concerning mental illness. Under the bill, the phrase, "is mentally ill" is changed to read, "has a mental illness," wherever it appears in Minnesota Statutes and Minnesota Rules. The bill was recommended to pass and advanced to the Senate Floor as a Consent Calendar item.

### **MA dental care discussed**

The Health and Family Security Committee met Weds., Jan. 31 and discussed the lack of dental care for Medical Assistance (MA) and Minnesota Health Care Program (MHCP) patients. Members also discussed the need for standardized nursing home closure procedures.

James Chase, director of the Minnesota Department of Human Services purchasing and services delivery division,

said only 30 percent of the patients who receive MA benefits see the dentist every year while 70 percent of people with commercial insurance make an annual visit to see a dentist. Associate Director of the Minnesota Community Action Association Pam Chapman said, "Lack of access to dental services has reached crisis proportions in several areas of the state, particularly in Greater Minnesota."

Several witnesses from the dental profession and the MA and MHCP programs offered explanations for the lack of dental care. MA and MHCP patients were likely to have cultural and language barriers, disabilities, and transportation difficulties that inhibit their ability to make appointments, said Chase. However, he explained, the greatest obstacle is the lack of available appointments.

Dentists who accept MA and MHCP payments only receive a 56.3 percent reimbursement of their regularly charged rates, he said. Dr. Vacharce Peterson, a dentist with Peterson & Peterson Dental Clinic, said that dentists often pay 80 percent of their revenue for overhead costs and must operate at a loss in order to accept MA and MHCP patients.

Dr. Amos D. Deinard, associate professor of pediatrics at the University of Minnesota, said, due to low payment rates, general dentists openly refuse to see public programs patients. Dentists are bound by a rule to accept MA and MHCP patients, but the rule is not enforced, said Chase. According to Carla Abdo, a paralegal with Northwest Legal Services, of the 64 dentists listed in the Clay County phone directory, only one was accepting MA patients.

Chuck Neil, health manager for Arrowhead Head Start, said, "The most significant barrier to dental access is the low reimbursement rates for public program recipients. Improving financial incentives to dentists is the first recommendation listed in the Dental Access Report." Chase said that MA and MHCP payment rates should acknowledge the real costs of dentistry and reward doctors who increase the number of MA and MHCP patients they see. Neil said, "It is difficult to say how much fees would need to be raised in order to increase access, but even a 20 percent increase would barely exceed the overhead costs for most dentists." He said he recommended that, since it might be impossible to increase funding for all patients, the Legislature allocate limited

# Committee update

resources specifically to children and, if possible, repay dentists 100 percent for services to young MA and MHCP patients. "It would be very difficult for dentists to refuse access to disadvantaged children if reimbursement were 100 percent," he said. In the governor's budget, there is no additional funding for MHCP and under his proposals payment rates would remain near 55 percent of customary dentistry fees.

The committee also heard testimony concerning the closure procedures for nursing homes. Munna Yasiri, policy consultant with the Department of Human Services, said that next year 40 to 50 nursing homes will close. She said an increase in nursing home closures was, in part, due to the governor's policies that promote in-home care for the elderly. The department recently prepared a report on nursing home closures based on the relocation of 422 residents in 2000.

According to the report, 48 percent of residents had some level of difficulty during the transition. Yasiri said that to prevent "transfer trauma" and to better assist the growing number of relocated elderly, Minnesota should develop a standardized planned closure process to ensure that appropriate care will be available after nursing home closures and informed about relocation procedures.

## Health, Human Services and Corrections Budget Division

### DHS overview

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Jan. 30, to hear two departmental overviews. The first item on the agenda listed a report by the Dept. of Corrections but the overview was postponed until further notice.

The second item was a 2002-03 Biennial Budget overview of the Dept. of Human Services (DHS), delivered by Commissioner Michael O'Keefe. The commissioner began his report by summarizing the priorities set forth by the administration: Tax reform and tax rebates. O'Keefe said the budget imposed constraints for the department, requiring that funding priorities for programs be shifted. The budget allocates approximately \$171 million in new spending and \$45 million in new net spending from the general fund. "We feel we've targeted these dollars well," said O'Keefe.

According to the report, funding sources for DHS total \$14 billion. Federal funds contribute 38.9 percent, the general fund contributes 42.9 percent, Temporary Assistance for Needy Families (TANF) contributes 3.2 percent, Health Care Access (HCAF) contributes 4.9 percent and other sources add 10.1 percent.

O'Keefe said there are still 70,000 children without health care coverage, despite the fact that Minnesota is ranked one of the healthiest states with a model health service programming. He emphasized the need to address prevention measures, complex financing systems, and disparities between groups of people who receive health services. Among the policies recommended by the department, O'Keefe said Medical Assistance (MA) income standards for children should be raised to the level of 185 percent of poverty level and that MinnesotaCare insurance barriers and premiums for children should be eliminated. Other concerns include speeding up MinnesotaCare applications processing, expanding family planning services and improving non-English-speaking-services for citizens. He also discussed programming aimed at promoting anti-poverty welfare reform, self-sufficiency and independent-living strategies.

Sen. Jane Ranum (DFL-Mpls.) questioned the commissioner about the planned closing of 5,000 nursing home beds and asked whether or not services were in place to accommodate those forced to leave nursing facilities. Berglin said that mechanisms had been established to provide home-based services but the real problem had to do with not having enough healthcare workers. According to O'Keefe, there are many people in nursing homes who don't belong there and who can easily exist in a home setting supplemented by home-based services. He said that dollars saved from the nursing home closings could be used to increase home-based services and to hire healthcare workers.

### Budget overviews heard

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Weds., Jan. 31, to consider budget summary overviews from a number of agencies.

Minnesota Dept. of Health Commissioner Jan Malcolm enumerated the

targeted strategic initiatives her department is focusing on. She said that funding basic responsibilities, emphasizing prevention and self sufficiency, and developing the workforce, technology and telecommunications systems are priorities. She said that nationally, less than one percent of public health budgets are spent on prevention measures and that reform will encompass a more long-term vision.

Following statements concerning Minnesota's leadership role in providing public health services, Sen. Becky Lourey (DFL-Kerrick) she had hoped that more attention would be given to the social conditions that affect health. Other members expressed concern about shifts in funding. Berglin took issue with the administration's plan to take a one-time, \$10 million appropriation from the Health Care Access Fund to finance the development and establishment of the Center for Health Quality, a health policy research program. Berglin said, "We have used that money as a reserve and spending it down doesn't make sense." The commissioner replied that the reserves were larger than they needed to be. "We've used that money to solve long-term problems in the past and your proposal is a one-time project," said Berglin. Malcolm described the Center for Health Quality as an infrastructure investment.

Brief overviews were provided by representatives of the Health Licensing Boards. Board of Pharmacy Executive Director David Holstrom said that each of the health boards contain between 7 and 16 members and that each member is appointed by the governor. The boards are required by law to provide specified services. In his agency, fees are collected from licensees, he said. The governor's budget recommends an allocation of \$ 1.138 in FY 2002 and \$923,000 in FY 2003 to improve the performance of licensing functions, which includes the hiring of 14 new licensers. Executive Director Mary Hedges of the Emergency Medical Services (EMS) Regulatory Board reported that her board shares administrative services with the other boards. Hedges said that in the past her agency obtained funding from the Trunk Highway Fund, but the Legislature determined last session that only highway projects should have access to that source. The agency's budget was provided a one-time replacement support from the general fund for FY 2001. Hedges said the administration's budget

proposed restoring the agency's base budget with \$3.6 million for the biennium from the general fund. A base reduction of \$128,000 in ambulance volunteer training reimbursements was also a part of the proposal.

Sentencing Guidelines Commission Director Deb Dailey said that the basic function of her agency is to provide sentencing guidelines for judges. "The budget proposal is a simple one; it provides funding for base-level funding," she said.

Ombudsman for Corrections David E. Larson said the purpose of his office is to investigate complaints and, where appropriate, to make corrective recommendations regarding the Minnesota Dept. of Corrections (DOC) and facilities operations. Larson said there were significant reductions in funding since last year. The effect of the budget cuts would mean layoffs for investigators and administrative staff, he said.

From the Council on Disability, Executive Director David Skillbred reported that the budget proposes the restoration of the agency's base budget and its extension through FY 2003. Total financing amounted to \$705,000 in FY 1999; \$681,000 in FY 2000; \$719,000 in FY 2001 and the amount proposed for FY 2002 is \$692,000. A sunset clause was also extended until 2003.

## Jobs, Housing and Community Development

### Departmental overviews heard

The Jobs, Housing and Community Development Committee surveyed the policies and programs of the Departments of Economic Security, Trade and Economic Development, and Labor and Industry Fri., Jan. 26. The meeting was chaired by Sen. Ellen Anderson (DFL-St. Paul).

Associate Deputy Commissioner Mick Coleman presented an overview of the Department of Economic Security. He said that Minnesota had one of the lowest unemployment rates in the country and several large steps had been taken to boost workforce development. One of the greatest leaps has been the creation of a comprehensive online job bank, which has received more than 20 million hits this year, Coleman said.

Officials from the Department of Trade and Economic Development introduced the committee to the departments' structure and mission. "The mission of the Minnesota Department of Trade and Economic Development is to create high quality jobs by increasing the competitiveness of Minnesota's businesses in the global economy and ensure that all Minnesota communities can access and maximize the opportunities that a global marketplace provide," said Deputy Commissioner Gary Field.



Supporters and curious onlookers gathered on the second floor of the Capitol Rotunda Weds., Jan. 31, to witness a rally promoting affordable housing.

Photo by Shelley Hawes

# Committee update

Commissioner Beth Hargarten provided an overview of the Department of Labor and Industry. She explained the changes of the workers' compensation bill that became law in May. She said the bill transferred \$325 million to the special compensation fund for the settlement of long-term liabilities and extended the length of time allowed to claim benefits. She also reviewed child labor laws for the committee. She said that child labor penalties were raised 10-fold last year so that a \$100 penalty is now a \$1,000 fine. Assistant Commissioner Carolyn Ganz explained the recent changes of Minnesota Occupational Health and Safety Association policy that increase penalties for employers in the case of workplace fatalities and clarify next-of-kin benefits.

## Impacts of housing crisis discussed

The Jobs, Housing and Community Development Committee heard testimony on the impact of the affordable housing crisis Weds., Jan. 31. Sen. Ellen Anderson (DFL-St. Paul) chaired the committee.

Several people expressed concerns about children suffering from inadequate housing. Rev. Albert Callmon from the Minneapolis School Board, said, "Just as children have basic skill requirements in schools, they also have basic need requirements." The average stay in a homeless shelter by a child is 72 days; two years ago the average stay of a child was 3 to 6 days, suggesting that the decrease in affordable housing has led to more children living in shelters, he said. According to Callmon, kids who move more than three times before eighth grade are less likely to pass the basic skills tests on the first try. More than 800 children are bussed from shelters and hotels to Minneapolis schools each day in an effort to reduce child mobility, he said. Miranda Gilman, a working single mother with five children, described her struggle to protect her children's academic performance as she moved them between schools while looking for affordable housing. "It was hard to keep the kids' academics up," she said.

Kim Hustad, director of housing services at the Arrowhead Economic Opportunity Agency, said, "Homelessness is a rural issue as well as an urban issue." She said despite the recent economic prosperity, there are still three counties in the Arrowhead that have unemployment rates between six to seven percent. Most Arrowhead Minnesota Family Investment

Program graduates, who complete Minnesota's welfare-to-work programs, only make about \$7 an hour and therefore can afford homes between \$30,000 and \$35,000, she said. The most affordable homes in the Northwest are those over 70 years old and require several costly repairs, Hustad said.

President of the Family Housing Fund, Tom Fulton, said that the organization conducted research on whether affordable housing developments eroded property values in areas surrounding them. He said that research was conducted on 12 Twin Cities neighborhoods with developments. "There is little or no evidence of negative impacts on property values near developments," Fulton said. In fact, he said, in some cases, evidence suggested that there was a positive correlation between affordable housing developments and property values. "Affordable housing projects are essential to communities and the economic vitality of the state," he said.

Executive Director of the Metropolitan Interfaith Coalition for Affordable Housing Joy Sorenson Navarre said the organization recommends using the inclusionary housing approach (IHA) and requiring that, in every new multi-unit housing development, developers must set aside units for affordable housing. She said the IHA creates mixed-income communities, prevents developing pockets of poverty, and meets affordable housing needs. Navarre said that cities could exempt participating developments from regulations that raise housing costs, such as density restrictions or sewer access fees, as a bonus for developers that create affordable housing.

## Judiciary

### Use of restraints bill approved

The Judiciary Committee met Tue., Jan. 30, to consider three bills. Sen. John Marty (DFL-Roseville), chair of the committee, presided.

Sen. Dean Johnson (DFL-Willmar), chief author, presented S.F. 225, which modifies an existing restriction on the use of restraints with persons who have been civilly committed. Current statute allows the use of restraints only when the head of the treatment facility or a member of the medical staff determines that it is necessary. The bill seeks to give peace officers the authority to restrain as well. Don Kujawa, Kandiyohi County sheriff, said

peace officers are often responsible for transporting patients and need to be free to determine when restraints are necessary. Mike Teesneer of the Department of Human Services said that in practice, peace officers do use restraints as necessary, adding that officers are sometimes called upon to intervene inside a facility. He said he is nonetheless concerned about preserving the original intent of the statute which places overall authority regarding restraints in the hands of health professionals. Sen. Don Betzold (DFL-Fridley) offered an amendment that limits the existing restriction to actions inside a facility, but grants peace officers the authority to restrain when they have custody of a patient. Sen. Thomas Neville (R-Northfield) said he was concerned that the amendment still allows peace officers to use restraints when in the facility, but Teesneer said his concern had been addressed. The amendment was adopted. The bill was approved as amended and sent to the floor.

S.F. 16, authored by Sen. Steve Murphy (DFL-Red Wing), requires that judges be trained regarding the mandatory minimum fines for failure to produce proof of insurance. Minnesota statute requires a minimum fine of \$200 but Randy Bloom, a state Highway Patrol officer, said that many judges are not aware of the minimum or choose not to impose it. He said lower fines encourage offenders to continue to flout the insurance requirement. State Court Administrator Sue Dosal agreed that drivers' consistently failing to carry insurance is a serious concern, but she said that the bill does not solve the problem. Marty, Sen. Jane Ranum (DFL-Mpls.), and Sen. Sheila Kiscaden (R-Rochester) asked several questions about trying to improve technology to track repeat offenders. Murphy said the Transportation Committee is examining improvements of that kind. The bill was laid on the table.

Betzold, chief author of S.F. 44, presented the bill. It clarifies a discrepancy in statute regarding the statute of limitations on claims of wrongful death when medical malpractice is alleged. He said the medical malpractice statute of limitations was changed to four years, but that a separate statute addressing wrongful death does not refer to this change. Kiscaden said that the bill, while making the medical malpractice statute of limitations consistent, creates an inconsistency in the wrongful death statute of limitations.

“Why should we have a different standard for wrongful death if it is caused by medical malpractice?” she asked. Betzold said the bill is merely a technical correction in the medical malpractice statute and added that concerns about the wrongful death inconsistency should be addressed separately. He recommended the bill be approved and placed on the Consent Calendar. Kiscaden said it should be left open to debate on the Senate floor. The bill was approved and sent to the floor.

## Rules and Administration

### Rules advance

The Rules and Administration Subcommittee on Permanent and Joint Rules, chaired by Sen. John Hottinger (DFL-Mankato), met Thurs., Feb. 1, to complete work on the Permanent Rules of the Senate. Members considered several amendments before advancing the Rules to the full committee.

Sen. Dave Kleis (R-St. Cloud) brought forth four amendments for consideration. The first amendment specifies that committee chairs be elected by committee members. The second proposed change requires committees to provide one week’s notice for committee hearings. The third proposal specifies that a committee, subcommittee, or division must hear every bill referred to it. Finally, the fourth proposed change requires committees to adjourn by 10 p.m. Most of the discussion centered on the proposal to have committees adjourn by 10 p.m. Currently, the Rules specify that committees must end by 11 p.m., unless members vote to continue. Hottinger said that the proposed change, which removed the option for committees to vote to continue the hearing, could lead to substantive discussion being cut short, or alternatively, to actions designed to delay a committee’s work. Members amended the proposal to allow committees to vote to continue meeting and adopted the change specifying a 10 p.m. adjournment time. No action was taken on the other proposals.

The subcommittee also considered a proposal allowing members to designate one bill as a priority bill and requiring committees to which a priority bill has been assigned to hold hearings on the measure. The panel discussion centered on the difficulty in designating one priority bill while representing of many differing constituencies. The motion to adopt the proposal failed on a voice vote.

An amendment, offered by Sen. Pat Pariseau (R-Lakeville), allowing up to 20 authors on a bill was also discussed. Pariseau said that the proposal is aimed at cutting down on paperwork and eliminating duplicate bills. However, statistics provided by the Secretary of the Senate, Patrick Flahaven, comparing motions and bill introductions in the House, which does allow more authors, and the Senate, which allows up to five authors, indicated that no substantive reductions in paperwork or duplicate bills resulted from adding more authors to a bill. The motion to add the proposal to the Rules was defeated.

Sen. Roger Moe (DFL-Erskine) offered a proposal to allow committee chairs to serve for three terms, rather than the two terms currently specified by the Rules. The amendment was adopted.

Members also adopted language adding reporters from the Mankato Free Press to have access to the Senate floor.

Finally, members discussed a proposal changing an amendment adopted at a previous hearing concerning the adoption of a budget resolution. The proposal failed to gain approval. However, Moe offered an amendment to the budget resolution language removing a requirement that the Finance Committee publish a summary of the estimated fiscal effect on the general fund of each bill that has been referred to the Committee. The Moe amendment was adopted.

## State and Local Government Operations

### Special taxing districts approved

The State and Local Government Operations Committee considered three bills in the meeting held Tues., Jan. 30. Sen. Jim Vickerman (DFL-Tracy), chair of the committee, presided.

S.F. 232, authored by Sen. Becky Lourey (DFL-Kerrick) gives counties, cities, and townships new authority to create special taxing districts and to levy property taxes for emergency medical services. The bill defines the formation, expansion, or dissolution of such a district, and requires the establishment of a governing board and advisory committee for each. Lourey said, “Because of changes in Medicare reimbursement, we’re seeing scary things in ambulance service. We are truly facing a crisis.” Representatives of

service providers said that rising costs and the new fee schedule imposed by federal law will place the quality of service in serious jeopardy unless new sources of funding are tapped. Sen. Mady Reiter (R-Shoreview) said she could understand the need but that “asking for taxing authority is a fairly significant thing.” Sen. Sam Solon (DFL-Duluth) said, “It’s an option, not a mandate,” adding that the challenges involved in providing quality ambulance service is particularly acute in Greater Minnesota. Vickerman offered an amendment requiring that a representative of the general public be appointed to a special district’s advisory committee. The amendment was adopted. The bill was approved as amended and sent to the Health and Family Security Committee.

Vickerman, chief author, presented S.F. 200, which modifies language in a law requiring agencies to respond within 60 days to written requests for permits, licenses, or other approval relating to zoning, septic systems, or expansions of the metropolitan service area. The current law says that the only way to deny a request is by passing a motion or resolution to deny. The bill’s new language defines what constitutes a written request, clarifies what actions qualify as a denial, and establishes a protocol for agencies to provide documentation of the reasons for denial. Specifically, the bill says that defeating a motion to approve a request also constitutes a denial of the request and lets the denying authority wait until the next official meeting to publish its reasons. Vickerman said the bill is intended simply to clarify the law, but Glenn Dorfman of the Minnesota Association of Realtors and Deborah Burke of the Builders Association of Minnesota said the new language creates loopholes. “Cities and counties don’t like the law because its working,” Dorfman said. John Dooley of the Minnesota Association of Townships offered an amendment to resolve these and other issues. No vote was taken on the amendment; the bill was laid on the table and Vickerman said the parties will work together on the language.

Sen. Linda Higgins (DFL-Mpls), chief author of S.F. 142, presented the bill. It increases the number of appointees on the Council of Black Minnesotans from 11 to 13 and requires that there be 1 representative each from East Africa and West Africa. The bill was approved and placed on the Consent Calendar.

# Committee update

## State Government, Economic Development and the Judiciary Budget Division

### Governor's budget presented

The State Government, Economic Development and the Judiciary Budget Division, chaired by Sen. Richard Cohen (DFL-St. Paul), met Thurs., Jan. 25, and heard a budget overview from the Department of Finance.

Department Team Leaders Stephanie Andrews and John Heintz explained the organization of the budget books.

Deputy Commissioner from the Finance Department Ann Barry outlined the governor's proposal for the department's budget. She said, "The governor's requests were extremely modest, and it was important to think of the department's spending as investments that should be expected to pay off." The largest increases in the budget, she said, were technology related. According to the governor's proposal, the increased information technology budget will help maintain and enhance a comprehensive network infrastructure, fund increasing hardware and software licensing costs and keep information technology staff salaries competitive. The governor recommends a \$632.4 million budget for the department and an additional \$21.703 million for debt service costs.

### Public broadcasting requests heard

The State Government, Economic Development and the Judiciary Budget Division met Tues., Jan. 30, to hear budget requests from representatives of public broadcasting and veterans organizations. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided.

Bill Strusinski and Al Harmon representing public television presented a request with an increase over the amount in the governor's budget. Strusinski said that the increase, a total of \$733,000, is intended to restore the amount by which the Legislature reduced funding in 1999. He said that even with the restored amount Minnesota will rank 40th in state funding for public television. Harmon highlighted the federally mandated deadline for all broadcast television to convert to digital signals; he said the conversion will be costly but has received no attention in the governor's budget.

Andy Marlow and Barry Tilley from the Association of Minnesota Public Education Radio Stations also presented a budget request in excess of the governor's recommendation. Marlow said the amount of current funding does not reflect the increase in the number of stations at schools and universities throughout the state. The agency is requesting \$300,000 in addition to the base line funding of \$814,000. Tilley said the additional amount will be split evenly between community service grants and equipment grants.

Minnesota Public Radio is requesting \$900,000 for the biennium, exceeding the amount from the previous biennium by 10.5 percent. Tony Bol, Director of Public Affairs, said the extra funding helps maintain service to rural areas and also supports Emergency Alert System broadcasting. He also said the organization is making a special appropriation request of \$500,000 to help fund a \$3 million project to create a digital archive of significant programming from Minnesota Public Radio's 30-year history.

Mark Oyass of Metro Cable Network presented a budget request of \$100,000 for the biennium. He said the appropriation, when first established at \$25,000 a year, represented 10 percent of the network's budget; now it represents only 5 percent.

Representatives of the military service organizations presented their budget requests, highlighting the overall impact the appropriations have on the Minnesota economy. Jim Hessograde of the Veterans of Foreign Wars, Dennis Wells of the Military Order of the Purple Heart, and Peter Philippi of the Disabled American Veterans all said that their organizations draw millions of dollars of federal money to the state by helping veterans receive entitlements and benefits. The Veterans of Foreign Wars' budget request is \$41,000 annually. The Military Order of the Purple Heart is requesting \$20,000 annually. The budget request for the Disabled American Veterans is \$13,000 annually.

### Budget hearings continue

The State Government, Economic Development and the Judiciary Budget Division met Tues., Jan. 30, to continue hearing budget requests. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided.

Steven Bosacker from the Governor's Office presented a request for the same base line funding for the next biennium. Cohen asked Bosacker to clarify certain aspects of the governor's staffing levels, including the office maintained in Washington, DC, a general counsel and the two full-time chefs at the governor's residence. Bosacker said that a governor's having a liaison in Washington and a general counsel is fairly typical. Regarding the chefs, he said they have a variety of duties in addition to their responsibility for public and private gatherings at the residence.

State Treasurer Carol Johnson addressed the issue of the dissolution of the elected position of treasurer and presented a budget request that takes into account the fiscal impact of the change. Johnson said that, with the exception of her position and the deputy treasurer, all other staff and expenses need to be maintained to continue to perform the duties of the office. Sen. Martha Robertson (R-Minnetonka) questioned a line item in the budget which shows a disproportional increase in office expenses for FY 03, the year in which the change takes place. She also said non-salary inflation should not be included in the budget since the large agencies are expected to absorb it and the office will presumably be part of a large agency. Johnson said she would work with the Dept. of Finance to clarify the issues and present a more thorough breakdown of anticipated expenses. Johnson also presented a full study and recommendation for the transfer of power, duties, and responsibilities, and discussed the varying options as to where the office ought to be transferred. She said she recommends placing the duties with the State Auditor, the Secretary of State recommends transferring duties to the State Board of Investment, and the Dept. of Finance recommends absorbing the duties within the department. She said that transferring the office to the State Auditor keeps it under the authority of an elected official and provides a visible separation from agencies that perform other fiscal duties.

Deputy Treasurer Jake Manahan discussed a budget request the office is making that is different from the governor's proposal. The governor's office recommends \$92,000 in technology support, but Manahan said \$150,000 is required to complete the implementation of electronic financial transactions discussed before the committee Jan. 18.



Jean Olson and Jeff Sigurdson of the Campaign Finance and Public Disclosure Board presented a budget request \$155,000 above what the governor recommends for FY 02-03. Olson said funding at the level in the governor's budget would only cover salaries and rent and does not address technology needs. Sen. Sam Solon (DFL-Duluth) asked if there would be enough staff even with the additional request and Olson said updated technology would make the requested staffing level sufficient.

## Taxes

### Governor's tax plan discussed

The Tax Committee met Thurs., Jan 25, to hear testimony on the governor's tax proposals. Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the committee, presided and asked all presenters to make comments on the committee's draft statement of objectives.

Mike Hickey of the National Federation of Independent Business said that the governor's proposal "is a good plan with a lot of vision and it will do a lot of good for small businesses." He highlighted income tax relief in particular, saying that increasing the disposable income of small business owners allows them to expand the benefits they offer their employees. He said the sales tax expansion is a concern because it would increase a business' costs and would present staffing challenges for owners who previously have not collected sales taxes.

Regarding the working draft of objectives, Hickey agreed with the emphasis on accountability and simplicity but questioned the objective regarding progressivity, saying that members of his organization think that aspects of the tax system are too progressive already.

Ramsey County Commissioner Sue Haigh presented testimony on behalf of the Property Tax Study Project, a collaboration of eight local governments and school districts in or around cities of the first class. She said member groups agreed with some aspects of the governor's plan, including the absence of a levy limit proposal and the repeal of sales tax on local government purchases.

Haigh said the property tax decrease is favorable as well, but added that she is concerned that it will force cities to impose more property taxes to pay for services. In addition, she said the plan

does not address funding problems for child welfare, special education or the state takeover of court funding. Speaking to the committee's objectives, Haigh highlighted the notions of fairness and simplicity, saying that tension between the two objectives has to be resolved on the side of fairness.

Kevin Corbid of the Association of Minnesota Counties said the governor's tax plan is favorable. He expressed concerns about a transition cost issue with the state takeover of the guardian ad litem program and the lack of effectiveness of the Truth In Taxation process. On the objectives, he said the true relationship is unclear between property taxes and related services. He said that some services that are a shared responsibility are unrelated to property ownership and questioned whether the burden for some services ought to be proportional to property.

Representing the Metropolitan Inter-County Association, Keith Carlson said, "The administration needs to be congratulated for the boldness of its proposal." He said counties welcome reductions in property taxes and the repeal of local government sales taxes. However, he said that property tax reform needs to be an ongoing process to guard against future increases that merely shift the burden to different segments of the economy.

Carlson added that the governor's plan ignores important issues such as the state takeover of court funding, services for the developmentally disabled, and the shortfall in the Public Employee Retirement Association funds. Carlson addressed the committee's draft objectives by saying there needs to be a commitment to minimize unfunded mandates imposed on local governments by the state.

Finally, Jack Horner of the Minnesota Multi Housing Association addressed the governor's tax plan on behalf of rental housing interests. He said apartment property taxes in Minnesota are twice as high as the national average and the governor's plan does not do enough to reduce them. He added that the sales tax expansion will also have a negative impact.

On the objectives, Horner said that equalization of local governments' capacities to provide services need not be absolute because, in reality, people's choices about where they want to live is influenced by differences in the tax burden and the services provided.

## Income and Sales Tax Division

### Sales tax reforms heard

At the inaugural meeting of the Sales and Income Tax Budget Division Tues., Jan. 31, the Department of Revenue sketched the governor's proposed sales tax reform.

According to Commissioner Matt Smith, the greatest change will be the extension of the sales tax to services. He said that when the sales tax was adopted in 1967 goods made up approximately 60 percent of personal consumption and services made up approximately 40 percent. Smith said today those figures have reversed; services now make up approximately 60 percent of personal consumption. Furthermore, he said, the growth of electronic commerce has been eroding the effectiveness of the sales tax. "The long term viability of the sales tax is at stake," he said. "Without the sales tax, our state and local governments will have to rely more heavily on the property tax and income tax."

Smith said there are five principles underlining the governor's sales tax reform. First, the tax base is as broad as possible and the rates are kept as low as possible, he said. Secondly, he said, "the level of taxation is balanced among all areas of the economy." Third, according to Smith, whether something is taxable depends on the product or service being sold, rather than on the business entity or organization that sells the item. This means taxing telecommunication services rather than telephone companies and taxing concert tickets whether the event is put on by a for- or non-profit organization, Smith said. Fourth, he said, "Minnesota's sales and use tax system will be as similar and uniform with other state's sales and use tax system as possible". And finally, he said, "the sales and use tax laws is as understandable for taxpayers and as easy for businesses to administer as possible."

Smith said that although the tax base is being significantly widened, there continue to be some exemptions: educational services (books, school meals, private school tuition, and private lessons), items required for basic living (food, clothing, shelter, prescription drugs), goods and services to the states' most vulnerable citizens (emergency food services and shelter) and childcare.

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He also said the governor also proposes exempting materials and services consumed in providing taxable services and producing goods, such as capital equipment used in providing taxable services and to manufacture, mine, fabricate and refine personal property. Although there will be some additional paperwork for small businesses, the increased administrative cost caused by the tax reforms is offset by the exemption of the goods and services put into producing taxable goods and services and by the 15 percent reduction in the business property tax. Cathy Wickes, assistant director of the tax division, said farmers would also be able to buy what they need to farm without paying taxes on it.

Wickes presented the recommendations of the “streamlined tax project,” a national effort fronted by the National Governors Commission to design a simplified sales and use tax system that accommodates the growth in electronic and interstate commerce. She said the project proposes states adopt uniform definitions of taxable goods. “Uniform definition, as you can imagine, is a huge area to tackle,” she said. “Take for example a Twix bar—is it candy and taxable or is it cookie, non-taxable food?” According to Wickes, the streamline tax project deciphers whether a Twix bar is a food item, but states decide if food items are taxed.

Wickes said that the “streamlined tax project” also defines the rules for sourcing, how taxes will be applied and under what jurisdiction tax is going to be applied. Currently, she said, Minnesota sales tax applies to goods purchased and shipped to out-of-state consumers only if it is for business needs; personal items bought from Minnesota companies shipped out of state are not taxed. The streamlined tax project recommends a new series of sourcing rules, Wickes said. Any item picked up in Minnesota incurs the state’s tax, she said. But if an item is shipped, the only taxes that apply are those that apply at the shipping address or, if there is no shipping address, an address kept in business records or a substitute address, she said.

After reviewing the governor’s sales tax reform proposals, the members discussed committee goals for the coming session. Chair Don Betzold (DFL-Fridley) said that the committee should decide up front how to tackle the proposed repeal of the tax on local government expenses. He

said the committee members had three options: they could decide to accept the governor’s proposal and repeal the tax, which would be costly but time effective; they could decide to keep the tax but hear the more than eighty requests made by local government’s for individual exemptions for projects; or they could keep the tax in place but only hear local government requests for exemptions in areas the committee decides are priorities.

## Property Tax Budget Division

### Reform proposal discussed

The Property Tax Budget Division met Weds., Jan. 31 to hear an overview of the governor’s property tax reform proposal. Department of Revenue Commissioner Matthew Smith presented a preliminary explanation of the proposal. Smith also said he would attempt to keep his remarks from duplicating testimony he had given earlier in the day to the Education Committee.

“You can sum up the governor’s property tax proposal as trying to make the tax smaller, simpler, fairer and more local,” Smith said. The centerpiece of the proposal is that the state will pay in full all state-mandated K-12 education costs, he said.

Sen. Leroy Stumpf (DFL-Thief River Falls) noted that the governor’s plan is to reduce the property tax but that an emphasis on equalizing the funding for school districts might drive future property tax levies. “Won’t that work against the governor’s plan to equalize the property tax,” he asked. Smith clarified that the net reduction of \$800 million per year in property tax levies would stem from the elimination of the general education levy in the property tax. Any remaining or future property tax levies to support schools would be fully local, he said. Sen. Kenric Scheevel (R-Preston) asked if the change would take effect immediately and how that would affect districts operating and debt-service budgets.

According to Smith, the proposal would take effect immediately. Funds already collected under current levies would be transferred to the new general education levy and all future funds would be collected under the new system. However, the governor’s proposal differentiates between operating budgets and debt-

service budgets, which are used for capital improvements, Smith said. So-called “non-voting properties”—primarily commercial-industrial and seasonal-recreational properties—would be exempt from the tax burden associated with operational costs for school districts, he said. Those properties often don’t have anything to gain from the taxes they currently pay. However, debt-service, health, transit and safety levies benefit all members of the local community, Smith noted. They create assets that a commercial-industrial or seasonal-recreational property owner can draw upon, he said, and thus they should be taxed to support those items. However, all such property taxes would be purely local.

Sen. Roger Moe (DFL-Erskine) asked if such excess levy referendums wouldn’t actually drive a disparity between low-value and high-value districts. Smith said that it wouldn’t because commercial-industrial and seasonal-recreational properties would be subject to a general statewide levy comprising about 10 percent of the total property tax levy, which would allow equalization of the tax levy on such properties. The governor’s proposal also increases the equalizing amount from the state to local school districts, he said.

Smith also addressed the issues of Local Government Aid (LGA) and Homestead Agricultural Credit Aid (HACA). He said that the current one-size-fits-all formula for LGA doesn’t work. The governor’s proposal creates three separate formulas and recognizes that township residents often overburden nearby cities without contributing to those cities’ tax revenues. Under the governor’s plan, Smith said, total state resources available to local governments will increase by about \$50 million per year. Sen. Arlene Lesewski (R-Marshall) raised concerns about the removal of HACA under the proposal. While that aid is being eliminated, she said, not all state-mandated costs are being removed. Thus, she asked, will counties be increasing their taxes in the future because they lost state aid? Smith replied that in some areas costs will rise faster than taxes and state aid to those areas. However, that difference will be absorbed by the state in the long run, he said.

Scheevel said that, historically, the property tax levy oscillates between a lowered rate and a high rate. However,

every time the tax is raised, it is usually raised past its previous levels, he said. "Will this plan, in the long-term, essentially accelerate the tax burden," Scheevel asked. "That's the big question," Smith said. How to prevent taxes from rising faster than the interests and demands of local citizens is the main focus of any tax plan, he said. "The first, best step is to take the state drivers out of the property tax," he said. Then, the state must depend on taxpayer accountability, Smith said. Any taxes increases will reflect local voting on local demands.

## Telecommunications, Energy and Utilities

### Siting process discussed

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Jan. 25, to hear the final portion of a report by Minnesota Community Action Association Executive Director Tarryl Clark and to discuss the siting process for energy plants.

Clark's report involved an update on the current status of energy crisis funding needs.

Depending on income, energy assistance grants pay from 28 percent to 86 percent of a family's previous year's bill for natural gas, according to agency statistics. While gas prices have risen at least 58 percent since last year, the average amount of energy assistance grants has risen only 7.6 percent, from \$435 in 2000 to \$468 in 2001. Clark said that in Minneapolis alone, an additional \$2 million will be needed in order to serve the 12,500 families expected for primary heat and nearly \$400,000 in crisis funds to deliver the current level of benefits. Clark said that more energy assistance applications are arriving daily and that schools are in need of heating cost assistance. Sen. Steve Kelly (DFL-Hopkins) told Clark that members need to know how many households statewide will be needing assistance. Consumers seem to have a delayed reaction to the crisis and the agency doesn't yet know how many households will apply, although more data will be made available by next week, Clark said.

Public Utilities Commission Executive Secretary Burl Haar presented a fact sheet detailing aspects of the "certificate of need" process for building large energy

facilities. For generating plants, "need process" determines the size, type and timing of the facility. Siting determines the location of the plant. In order to define the scale of large facilities, Haar produced a chart that listed types of generating plants, transmission lines and storage facilities, including the size of threshold each requires. Thresholds are specifications used in regulating energy facilities. For example, electric generating plants must have a threshold of 80 megawatts or greater (50 megawatts or greater if fueled by oil, natural gas or natural gas liquids); high voltage transmission lines require a threshold of 50 miles if voltage is 200 kilovolts or greater; and pipelines require a threshold of 6-inch diameter and 50 miles long for pipelines carrying coal or petroleum or their derivatives. The assessment of need process involves determining whether or not the proposed facility is in the public interest, whether or not it is the best means of meeting need and whether or not constructing the facility is consistent with other public policies. Haar said the commission's target for approval or denial of an application is within six months of submission. Statutes require public hearings and the Environmental Quality Board Rules require an Environmental Report as part of the need process for power plants and transmission lines.

Sen. Randy Kelly (DFL-St. Paul) questioned Haar about the shortest time period within which a generating facility could be sited. In reply, Haar said "It depends." According to Haar facilities that are relatively uncomplicated can take less than one year to site. "On more controversial sites, it can take several years," he said. Public Utilities Commission Statistical Analyst David Jacobson concurred with Haar's assessment. "From planning to construction for non-gas facilities, it can sometimes take five or six years for siting," he said. Jacobson said that one time-saving option would be to eliminate the "certificate of need" process currently mandated by state law.

Sen. James Metzen (DFL-South St. Paul) said the process is too long and tedious. Responding to numerous questions and frustrations expressed by members, Metzen said the process issue is one of the things the committee is trying to grapple with. In further defining the committee's focus, Sen. Steve Kelly (DFL-Hopkins) said, "The concept of a state-

wide resource plan is being worked on rather than a company-specific plan." In response to a question by Sen. Ellen Anderson (DFL-St. Paul), Jacobson said that the criteria for assessment did take alternative forms of energy into consideration. Sen. Arlene Lesewski (R-Marshall) asked, "If we deregulate, how can we be sure that the plants we site keep the energy within Minnesota?" Haar said the state needs to begin to decide how to set policy to regulate that.

Environmental Quality Board Executive Director Mike Sullivan answered questions related to why utilities are not coming forward with applications to build. He said that it isn't always possible to predict usage cycles. Delays that occur prior to obtaining permits add to the normal risks involved in building new facilities, and uncertainty about deregulation—and the effects of those decisions—contributes to hesitancy on the part of utility companies, according to Sullivan.

Representing the Dept. of Commerce, Linda Taylor assured committee members that the situation presents "a large challenge, but one that we are up to." She continued, "We haven't built more power plants because until now we haven't needed to." Taylor emphasized that "Conservation is the first step," and the siting process needs revamping. She said that for utility companies, the risks are great, complicated by interest rates and very large initial outlays.

### Telecom overview

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Tues., Jan. 30, to hear telecom overviews from the Dept. of Commerce and the Public Utilities Commission.

Dept. of Commerce Assistant Commissioner Tony Mendoza said he would present background information related to telecom industry regulation. He said he did not intend to discuss policy at this time. Before beginning his overview, Mendoza introduced Dept. of Administration Project Manager Jack Reese, who provided maps and figures to describe the status of the telecom infrastructure in Minnesota. The maps depicted points throughout the state that are connected to cable, fiber optic and asymmetric digital subscriber line (ADSL) services, including cities with the 750 MHz capacity needed for hi-speed cable systems.

# Committee update

Mendoza provided an historical perspective of telecom services and regulations. "The year 1984 represented a milestone in the telecom industry," Mendoza said. An antitrust suit was waged against AT&T to split the company up into regional bell operating companies (Baby Bells) and AT&T was banned from providing local service. The suit also resulted in the requirement that AT&T interconnect its long distance service lines with competitors. AT&T's operations became heavily regulated and the Baby Bells were restricted from providing interstate long distance service. In 1996, Congress made the decision to promote more local service competition. Congress required that local service providers open their networks to make them available to other companies.

At the state level, Mendoza said there had not been major laws introduced to affect the telecom industry since 1915, but that in 1995 the Legislature implemented an alternative form of regulation law. Price caps were put in place for large telecoms and they were required to invest in infrastructure. The smaller telecoms elected to operate under special regulations, according to Mendoza.

In 1996, the Telecommunications Act required the Public Utilities Commission (PUC) to implement local competition provisions. The key issues included requiring the maintenance of high accessibility of quality affordable basic service and eliminating barriers to local competition. Under terms of the Telecom Act, the PUC was also required to streamline entry regulations, to implement retail rate averaging and to provide consumer protections and wholesale service quality, and also to provide universal access to DSL and advanced services that would expand out into rural Minnesota. Mendoza said there are four statewide local exchange companies regulated by the commission, including Citizens Telecommunications Company of Minnesota, Frontier Communications Company of Minnesota, Inc., Qwest Corporation and Sprint Minnesota. In addition, he said, there are also 91 competitive local exchange companies authorized to provide services to fewer than 30,000 customers and over 400 authorized long distance carriers. Cable companies are becoming increasingly important within the telecom industry, according to Mendoza. In addition to offering cable services, many

offer Internet, high-speed modem, voice and other services that are bundled.

According to Mendoza, prior to regulation, predatory pricing practices by incumbent companies made entry into the marketplace very difficult for emerging competitors. Worthington served as an example. Mendoza said that when the competition tried entering the region, Frontier petitioned for decreasing the rates to discourage customers from changing their service provider. There was an immediate impact on rates once competitors moved into the region, he said.

Also testifying for the Department of Administration, Project Manager Jack Reese said that the wireless industry is not currently regulated, although it is a major provider of phone service. However, he said, wireless companies are competing with other telecom technologies. He also said that wireless providers bypass the access charges that wireline companies charge. Sen. Steve Kelley (DFL-Hopkins) asked whether wireless service pricing might decrease in order to compete with wireline service pricing. Reese said there were issues of reliability affecting price discrepancies. Pockets of the state are not served at this point in time, he said. Another drawback to wireless is that enhanced 911 service is not available, according to Reese.

Following the Dept. of Commerce report, PUC Executive Secretary Burl Haar gave an overview of the commission's role in telecom regulation. Primary responsibilities include setting rates and regulation of service quality for large local exchange carriers, such as Qwest. The commission must also review rates upon complaint and set service standards for independent, municipal and cooperative carriers, of which there are more than 100 in Minnesota. According to Haar, the commission is also responsible for certification and service quality regulation for long distance carriers such as ATT, MCI and hundreds of others. Consumer complaint mediation, merger approval, exchange sales, 911 plan approval and price cap plans are also among the duties listed in the commission's report.

## Transportation

### Panel hears transit overview

A meeting of the Senate Transportation Committee was convened on Thurs., Jan. 25 to receive an overview of Minne-

sota transit services. The overview was presented by several representatives from state transit entities.

Metropolitan Council Chairman Ted Mondale presented an overview of the transit operations department. He said there have been substantial ridership gains since 1996 resulting in overloaded buses, overflowing park and rides, and increased citizen complaints. He cited several reasons for the increased demand, including, population and employment growth, an increase in congestion and cost of driving, business transit incentives, environmental protection needs, and a growth in the elderly population. He said that transit can be faster than driving. The Met Council has a long-term vision for transit and is looking at offering a double bus system by 2020, he said. Mondale also presented a Met Council budget review and said the council plans to build a system of transit-ways. He said that the governor's proposal is for \$106.2 million of base funding (6.5 percent less than 2000-2001), \$30 million from the general fund and \$16 million from fare increases due to begin on July 1.

Natalio Diaz of the Metro Council said that in the long-term \$100 million is needed in additional funding for operating expenses by 2020. He said that funding should not come from property taxes but from alternative sources such as a motor vehicle excise tax, a sales tax dedicated to transit, a gas tax or some other funding source. Diaz said, "If we are going to implement transit improvements, there needs to be a funding source decision."

Donna Allan, MnDOT Office of Transit director, presented an overview of the Greater Minnesota transit system. She said that workers depend on public transit to get them to work and employers depend on public transit to ensure a stable workforce. In addition, she said, transit keeps young people involved in activities and gets them to school and daycare; keeps people with disabilities mobile and allows them to be active and productive participants in their communities. She also said that public transit helps keep seniors in their homes longer, which is important because by 2020 about 60 percent of Minnesota's population will be over the age of 65.

The budget for this biennium is \$15.4 million, she said, and that the governor's proposed budget for the next biennium calls for a base of \$15 million which is an

increase of \$1.55 million per year. “This is a preservation budget,” said Allen, “not sufficient for capital investments, expansion of existing services or new services.” She said it will take an additional \$10 million per year to satisfy the needs as expressed by the systems they serve. Presently, she said, the federal government provides 12 percent of the funding while the state and local governments split the remaining 88 percent almost evenly.

Allan also covered some of the issues that she said need to be taken into consideration when funding transit. Available work in Greater Minnesota is often shift work and the pay is usually low, she explained. Transit providers, she said, need to extend scheduled bus hours to accommodate both employers and employees. In addition, she said, health care and education organizations are increasingly located in regional cities and people need to travel to those areas for services. She said, “These systems contribute to the economy of the state.”

At the present time, eight counties have no transit and nine counties have transit exclusively in municipal areas, she said. Sen. Don Samuelson (DFL-Brainerd) asked if MnDOT would be able to provide funding to initiate transit service in the counties that presently have no transit system in place. Allan answered, “I would say not under this budget.” Further, she said that an additional \$2 million in state funds would be needed. Kelly asked who initiates a system. It is a grass roots project, she said, usually initiated by local communities and aided by the state. Allan also said that the office of transit is developing a Greater Minnesota transportation plan that will come to the committee some time in March.

Minnesota Valley Transit Authority Executive Director Beverly Miller and Mayor Bob Burlingame of Maple Grove outlined the suburban transit association. Miller said that the taxing districts for transit were established in the early 1970s and a survey shows only 34 percent of transit riders come from the transit’s taxing district. She said that the taxing districts need to be expanded because ridership is growing and levies aren’t keeping up with funding demands. Miller suggested that a comprehensive review of transit funding be done to arrive at a unified funding approach. Kelly asked if the Met Council should be involved in the review and Miller said, “We are open to any all

suggestions including the Met Council, lobbying organizations and riders.” Burlingame said that at the present time there are seven counties in the Metro Area being taxed for transit. He said it needs to be expanded by two to include nine counties. He said that the additional two counties could be phased-in over time. Kelly asked what the impact is now in terms of dollars expended for transit by taxpayers. Miller explained that a \$100,000 home is taxed approximately \$20 per year.

Mark Hossier, president of the Minnesota Public Transit Association, said that long-range needs are for a dedicated funding source for transit. Sen. Keith Langseth (DFL-Glyndon) said that the motor vehicle excise tax (MVET) had funded 35 percent of transit but, “we lost it and never got it back.” Kelly said, “We are providing 50 percent less funding than any other state.”

### **Panel hears rail overview**

The Transportation Committee was called to order Tues., Jan. 30 by Chair Randy Kelly (DFL-St. Paul) for the purpose of continuing the transit overview.

Natalio Diaz, Metro Council director of transportation policy, presented the council’s 2020 transit master plan. Diaz said that Minnesota freeway construction is not as extensive as it has been over the last 40 years and unless something different is done, traffic congestion will double by 2020. He said there will be 500,000 more people living in the Metro Area between 2000 and 2020 and only 25 additional miles of new freeways will be built. Congestion costs about \$1 billion annually, and a study by MnDOT shows there will be \$15 billion in unconstrained highway needs through 2020, said Diaz. Current funding for congestion relief is \$4.4 billion, which leaves a \$10 billion shortfall, he said. Diaz cited a study that shows the Metro Area lagging behind comparable cities in improving transit systems. He said that one goal of the Met Council’s 2025 transit master plan is to have a regional transit system by 2020 that brings the Metro Area ridership from 250,000 people per day to 500,000 people per day. In addition, he said, fostering more efficient use of land and public infrastructure is necessary. He said key strategies for attaining the goals are to strengthen the current bus system, develop

a network of dedicated transit corridors and promote smart growth initiatives. If this is achieved, he said there will be an estimated \$2 billion savings in local roads and utilities and an additional \$2 billion savings in congestion costs. He said that other benefits include the elimination of 245,000 daily auto trips, a cut of 550 million miles in travel per year, a savings of 27 million gallons of fuel annually and the elimination of 6,600 tons of carbon emissions per year. Further, he said the region’s dependency on sometimes volatile energy supplies would be reduced, and greenhouse effects would diminish. He also said that affordable housing would increase and land consumption would slow. “There is no such thing as a silver bullet that solves everything; but the message of this master plan is a balanced approach,” said Diaz.

Kelly asked what investments need to be made to keep the Council on track for the 2025 plan. Diaz said that a \$100 million increase over the next two years is needed. Kelly asked how other cities have funded growth over the last 25 to 30 years. Diaz said they have used a stable, broad-based source of funding that grows with the economy and population. Property taxes presently fund transit in the Metro Area and do not reflect the growth of the region, he said. He suggested possibly using a sales tax as a base that would grow with the economy and population. He added that 50 percent of metro transit funding comes from the federal government.

The commuter rail system plan was presented by Al Vogel, director, Office of Freight, Railroads and Waterways, Minnesota Department of Transportation. He said MnDOT’s strategic objective is to provide multi-modal transportation. To achieve this, MnDOT will partner with the Met Council to develop a regional master plan for transit that integrates light rail transit (LRT), commuter rail, bus ways and other transit services, he said. The commuter rail system plan, he said, includes adopting a method that ensures commuter rail is moved forward in an efficient, cost-effective manner. He said the plan also includes coordination with buses and other transportation modes and facilities, a consultation with regional railroad authorities and periodic updating of the system plan. In addition, he said, the plan outlines MnDOT’s roles and responsibilities in planning and program-

# Committee update

ming with communities, regional governments and federal partners. He said that developing system standards is another element of the plan, which includes rolling stock, system safety and security, station development and site planning, railroad negotiations, communication systems, maintenance facilities and general operating guidelines.

Vogel indicated that advanced corridor planning is also necessary. He said a major investment study will be initiated to develop conceptual designs and scenarios, the purpose of which would be to analyze air, noise and vibration, and to create capacity modeling on rail lines. He indicated that preliminary engineering to identify a preferred design and assess right-of-way needs will also be addressed in the plan.

Sen. David Johnson (DFL-Bloomington) said there is strong opposition to the Dan Patch line and a great deal of interest in a commuter rail system in the western suburbs. He said, "It makes more sense to go through the communities that want it." Johnson asked if growth to distant suburbs would be encouraged as a result of offering commuter rail. He also said he wanted to know how smart growth fit into the planning. Vogel said how growth patterns that might emerge as a result of implementation of light rail were not studied. However, he said that smart growth was considered in the plan. Sen. Keith Langseth (DFL-Glyndon) said, "We have a state system and we have to make it work in the whole state. When you look at the state-wide vision, you have to keep the prosperity going whether you're from rural Minnesota or the Metro Area."

Commissioners Peter McLaughlin of Hennepin County, Victoria Reinhardt of Ramsey County and Paul McCarron of Anoka County spoke on behalf of the Metropolitan Light Rail Transit Joint Powers Board. McLaughlin said that in his judgment, the missing piece to the light rail transit plan is adequate dedicated funding that will allow the project to go ahead. He said, "If you look around the country, we are more dependent on property taxes than anywhere else." Reinhardt said, "We are united and think we have a plan for this state." McLaughlin said the joint powers board is requesting \$125.9 million for light rail funding in 2001. He also outlined the 2000 accomplishments, 2001 development stage elements and the 2001 funding requests for

all six proposed light rail corridors. These corridors are the Northstar, the Minneapolis connector to Northstar, the Red Rock, the Central Corridor, the Rushline, and the Cedar Avenue corridor.

## Transportation and Public Safety Budget Division

### Wakota bridge funding

The Transportation and Public Safety Budget Division met Tues., Jan. 30, to hear the city of Newport's appropriation request for the Wakota Bridge project. Chair Dean Johnson (DFL-Willmar) called the meeting to order.

Sen. Leonard Price (DFL-Woodbury) said he supports the funding request that Newport Mayor Kevin Chapdelaine's would be outlining. He requested that the committee arrive at a decision before Mar. 10, 2001, when a meeting is scheduled to adopt a resolution for approval of the bridge project design.

Chapdelaine said the \$9.3 million request covers Newport's obligation toward the \$206 million I-494, TH-61 construction project that includes the Wakota Bridge in Newport. He said the city is faced with an eight-year construction project that is scheduled to commence in the fall of 2001, with completion anticipated in 2008.

Newport City Manager John Stewart said the project will result in the loss of \$3.1 million of commercial/industrial property and \$1.9 million of residential property. In addition, he said 180 jobs will be lost. He said these losses amount to a 10.76 percent tax capacity loss for the city. Every day, he said, there are 30,000 cars and 90 trains traveling on Highway 61. "The city of Newport and the southeast region needs and wants this project," said Chapdelaine.

He said that the city of Newport is asking for an appropriation because they have exhausted other funding possibilities. With a population of less than 4,000, he said, Newport does not qualify for municipal aid because a population of 5,000 is required for aid qualification. Additionally, he said, "Newport has the fourth highest property tax level in the Metro Area and can't afford an increase." He said that 13 percent of Newport's population is below the poverty line—the highest in Washington County. The average property value is \$110,000, which would

mean an average tax increase of \$5,600 over the eight-year project period, said Chapdelaine. Finally, he said the city's bonding limit is only \$1.6 million which leaves a large shortfall in funding dollars needed for the project..

Mayors from the cities of Woodbury and Cottage Grove, as well as the chair of Grey Cloud Island's Town Board wrote letters supporting Newport's funding request. Sen. Satveer Chaudhary (DFL-Fridley) asked if there is a reason why other communities who would benefit from the project don't contribute to it. Stewart said, "The request could be extended but a more palatable way to obtain needed revenue needs to be found."

Dick Stehr, MnDOT, metro division engineer, said he realizes there is a significant impact on the city of Newport. He said, "We have done the maximum we can as the state. We have applied for federal funding for the project and there is still a considerable amount needed from Newport." MnDOT Assistant Commissioner Doug Weiszhaar said that there are hundreds of communities with less than 5,000 people and they may see this as an opportunity to do the same. He said, "We are concerned with precedents." Sen. Randy Kelly (DFL-St. Paul) said, "I would expect a better and more pro-active solution on a state wide basis." Stehr said that MnDOT is looking at new cost participation policies, but a financial gap is still left. Chaudhary said he thought a regional co-op would benefit Newport in this situation and that the cities benefitting from the project could do more. Price said that a pragmatic approach is needed to deal with this situation.

Johnson said the committee needs a few days to speak with others regarding this issue. He said the committee will readdress the request within 30 days, which is before the scheduled Mar. 10 meeting for project design approval.

## Frequently Called Numbers

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Toll free northern MN	1-877-456-3839
Toll free southern MN	1-877-456-2021

# Preview

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## Monday, February 5

The Senate will be in session at 11 a.m.

### E - 12 Education Budget Division

Chair: Sen. LeRoy Stumpf

1 p.m. Room 112 Capitol

**Agenda:** S.F. 23-Johnson, Dean: Tornado disaster relief. Continuation of presentation on Governor's education budget proposal.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 249-Ring: Repealing obsolete health and human services rules. S.F. 256-Kiscaden: Establishing the council of health boards. S.F. 274-Higgins: Extending the respiratory care practitioners council. S.F. 232-Lourey: Authorizing special taxing districts for emergency medical services.

### Higher Education Budget Division

Chair: Sen. Deanna Wiener

1 p.m. Room 107 Capitol

**Agenda:** Overview of the Higher Education Services Office (HESO) by Robert K. Poch, director.

### Education Committee

Chair: Senator. Sandra Pappas

3 p.m. Room 123 Capitol

**Agenda:** Childcare assistance overview and Consolidating Childcare Assistance Program Report, Cherie Kotilnek, Dept. of Children, Families & Learning.

### Transportation and Public Safety Budget Division

Chair: Sen. Dean E. Johnson

4 p.m. Room 112 Capitol

**Agenda:** Continuation of Department of Transportation budget overview.

### Joint Health and Family Security and Crime Prevention Committee

Chair: Sen. Dallas Sams and Sen. Jane Ranum

5 p.m. Room 123 Capitol

**Agenda:** Hearing on mental health and juvenile violence. Testimony from Dr. Robert Blum, Dr. Michael Resnick, Dr. Chuck Nelson, Judith Kahn, and others.

## Tuesday, February 6

### Judiciary Subcommittee on Family Law

Chair: Sen. Leo Foley

9 a.m. Room 15 Capitol

**Agenda:** Child Support Enforcement Taskforce Medical Support Workgroup.

### Transportation Committee

Chair: Sen. Randy C. Kelly

9 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Environment and Natural Resources Committee

Chair: Sen. Jane Krentz

10 a.m. Room 107 Capitol

**Agenda:** Department of Natural Resources presentation on agency reorganization efforts.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

1 p.m. Room 107 Capitol

**Agenda:** S.F. 405-Samuelson: Little Elk Heritage Preserve. S.F. 263-Bachmann: Metropolitan agriculture preserves density exceptions. S.F. 376-Vickerman: Setting limits for contract requirements.

### State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning: the Office of Administrative Hearings, the Office of Strategic and Long Range Planning, and the Department of Human Rights.

### Transportation and Public Safety Budget Division

Chair: Sen. Dean E. Johnson

4 p.m. Room 112 Capitol

**Agenda:** Continuation of Department of Transportation budget overview.

### Income and Sales Tax Budget Division

Chair: Sen. Don Betzold

7 p.m. Anoka, MN

**Agenda:** Governor's tax proposals.

## Wednesday, February 7

### Rules and Administration Subcommittee on Senate Information Systems

Chair: Sen. Leonard Price

8 a.m. 224 Capitol

**Agenda:** Annual review of existing policies and initial IT project requests.

### Crime Prevention Committee

Chair: Sen. Jane Ranum

9 a.m. Room 15 Capitol

**Agenda:** Juvenile delinquency and early intervention. Testimony from DOC and MN Planning on juvenile data; from representatives of Ramsey County's All Children Excel (ACE) Program and Hennepin County's Targeted Early Intervention (TEI) Program; from Judith Kahn, executive director of the Konopka Institute, on the characteristics of early intervention programs that are working and how we determine their effectiveness.

### Jobs, Housing and Community Development Committee

Chair: Sen. Ellen Anderson

9 a.m. Room 123 Capitol

**Agenda:** Promoting affordable housing: Office of the Legislative Auditor; Minnesota Community Action Association; Minnesota Multi-Housing Association; Rochester Area Chamber of Commerce; Care Providers of Minnesota/Minnesota Health and Housing Alliance; Hennepin County; Home Ownership Center.

### Agriculture, General Legislation and Veterans Affairs Committee

Chair: Sen. Steve Murphy

10 a.m. Room 107 Capitol

**Agenda:** S.F. 197-Betzold: Imposing a felony penalty for aggravated cruelty to pet or companion animals. S.F. 221-Pappas: Changing the disposition of certain animals evidence; providing for the preservation of certain evidence; changing regulation of certain dogs; imposing penalties.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 156-Berglin: Abolishing the hospital surcharge for certain medical

assistance costs. S.F. 233-Sams: Excluding ambulance services from the MN Care tax. S.F. 260-Sams: Repealing the MN Care and premium tax. S.F. 384-Berglin: Exempting certain payments from the MN Care tax.

#### Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Overview of Minnesota's private college system by David B. Laird, Jr., president, Minnesota Private College Council. Presentation of Governor's higher education budget by Peggy Ingison, state budget director, Department of Finance and Stewart McMullan, executive budget officer, Department of Finance.

#### Education Committee

*Chair: Sen. Sandra Pappas*

3 p.m. Room 123 Capitol

**Agenda:** Facility Use Analysis of MNSCU and Intermediate Districts, Peter Butler. S.F. 23-Johnson, Dean: Money for tornado relief (if passed by division).

#### Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** Continuation of governor's property tax budget proposal and testimony by interested parties.

#### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning the Humanities Commission and the Arts Board.

### Thursday, February 8

**The Senate will be in session at 9:30 a.m.**

#### Judiciary Committee

*Chair: Sen. John Marty*

10 a.m. or immediately following Session Room 15 Capitol

**Agenda:** S.F. 319-Moe, R.D.: Regulating discharge of judgments against bankruptcy debtors. S.F. 248-Cohen: Increasing trial court judgeships.

#### Environment Protection Subcommittee

*Chair: Sen. Linda Higgins*

10:15 a.m. Room 107 Capitol

**Agenda:** Agenda: S.F. 212-Krentz: Requiring a risk evaluation for certain water quality standards. S.F. XXX-Higgins: Requiring a risk evaluation for certain air quality standards. S.F. 379-Higgins: Requiring the Pollution Control Agency to maintain a database related to permit compliance.

#### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Board of Water and Soil Resources budget overview.

#### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentation by the Attorney General's Office.

### Friday, February 8

**No meetings scheduled.**

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# Senate Briefly

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*A fresh blanket of snow covers the Capitol's front steps and grounds as viewed from a third floor window in the Capitol.  
Photo by David J. Oakes*



February 9, 2001

# Senate Highlights

## Energy aid for schools passed

The Senate floor session Mon., Feb. 5, was dominated by debate over S.F. 228, a bill that provides emergency funding to school districts hit with high energy bills. The bill, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), passed on a 40-23 roll call vote.

Stumpf said fuel costs for school districts have increased as much as 300 percent since last year, and that the bill makes \$30 million available to reimburse schools by March 1 for the increase in energy costs. The amount of the reimbursement is based on the difference between the 1999-2000 school year energy costs and the anticipated costs for 2000-2001. Stumpf said, "It seems somewhat ridiculous that the state of Minnesota would have such a large surplus and force school districts to go into borrowing money." He offered a technical amendment to make adjustments for incorrect cost estimates in FY 2002 instead of FY 2003. The amendment was adopted.

Sen. Pat Pariseau (R-Farmington) said it makes sense to get energy cost figures for the entire school year before calculating reimbursements. She offered an amendment that delays the \$30 million appropriation until FY 2002 and gives school

districts until June 30 to submit energy cost figures. Sen. Kenric Scheevel (R-Preston) spoke in support of the amendment, saying, "We can do emergency fuel assistance to school districts, but it'll be based on facts not extrapolation."

Sen. Edward Oliver (R-Deephaven) said all the schools in his district have told him they can cover increased fuel costs temporarily, so Pariseau's amendment is good policy. Sen. Becky Lourey (DFL-Kerrick) said schools in her district need money now, since they are forced to consider cutting bus routes and kindergarten programs.

Sen. David Knutson (R-Burnsville) said Stumpf's bill is bad policy that doesn't address the needs of private citizens who are also hurt by high energy bills. He added, "My vote is for the family and the individual in our communities." Sen. Warren Limmer (R-Maple Grove) asked whether the \$30 million could come out of the "rainy day fund" instead of the surplus, saying, "I perceive a surplus as change that's owed back to the taxpayer for overtaxation." Sen. Dean Johnson (DFL-Willmar) said almost every constituent he has talked to supports using surplus money to help schools. Pariseau's amendment was defeated on a 24-39 roll call vote.

Sen. Dick Day (R-Owatonna) offered an amendment that returns the entire budget surplus money to individuals in the form of a sales tax rebate. Sen. Don Betzold (DFL-Fridley) questioned whether the amendment was germane. Sen. Mark Ourada (R-Buffalo) replied that he believes Day's amendment serves the same purpose as Stumpf's bill: it gives surplus money to taxpayers so that they can pay high energy bills. The amendment was ruled not germane. S.F. 228 then passed on a 40-23 roll call vote.

In other business, four bills on the Consent Calendar bills were passed. S.F. 172, authored by Sen. Jane Ranum (DFL-Mpls.), limits the number of offenses that qualify as juvenile petty offenses. S.F. 201, authored by Sen. Dallas Sams (DFL-Staples), repeals the infectious disease education requirement for physician assistants. S.F. 58, authored by Sen. Leo Foley (DFL-Coon Rapids), changes the phrases "is mentally ill" to "has a mental illness" wherever it appears in Minnesota Statutes. S.F. 142, authored by Sen. Linda Higgins (DFL-Mpls.), increases the membership of the state council on Black Minnesotans to include a person of West African and a person of East African heritage.

## Health taxes debated

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Feb. 7, to discuss five bills related to hospital surcharges and changes to the MinnesotaCare taxing system.

Sams carried S.F. 260, a bill to eliminate the MinnesotaCare provider taxes and the premium tax on nonprofit health plan companies. The bill requires a pass-through of savings and credits tobacco settlement revenues to the health care access fund.

An amendment was adopted to require that third-party purchasers provide a billing code to any hospital, surgical center or health care provider required to pay provider taxes so that taxes are not "invisible."

Two bills were attached to S.F. 260—including S.F. 156, which abolishes the hospital surcharge for some medical assistance costs and S.F. 233 to exclude ambulance services from the MinnesotaCare tax. The bill was approved to pass and was re-referred to the Finance Committee.

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Sen. Linda Berglin (DFL-Mpls.) presented S.F. 156, a bill to abolish the 1.56 percent hospital surcharge paid by most Minnesota hospitals and the 1.8 percent intergovernmental transfer paid by Hennepin County. The bill appropriates money to the commissioner of Human Services to replace the lost revenue—for FY 2002 \$54.476 million is appropriated for Medical Assistance costs. The appropriation becomes part of base level funding and is inflated each year by the change in the Consumer Price Index. Berglin gave a brief overview of the events that led up to the implementation of surcharges. She said that the surcharge policy was implemented during rough financial times and that policy needed to adapt to present conditions. Berglin introduced a technical amendment and an amendment to clarify language; both were adopted.

Testifying in support of S.F. 156, Rice Memorial Hospital CEO Lawrence Massa said that the tax and match programs were implemented in many states until Congress changed regulations to require that the surcharges be a real tax and be re-distributed.

The result of the re-regulation was a cost to Minnesota hospitals of approximately \$50 million annually. He said that the chronically ill and the elderly were hardest hit by the Medicaid surcharge. The bill was laid on the table for amending into another bill.

Berglin also carried S.F. 384. The bill exempts specified payments from the MinnesotaCare tax. Under the bill, payments received directly from a patient or consumer for patient services where there is no reimbursement from a third-party purchaser are exempt. Co-payments, deductibles, or coinsurance paid by the patient or consumer in accordance with a third-party contract or to premiums paid by an enrollee to a staff model health plan company do not qualify for the exemption. The bill was given the recommendation to pass and was re-referred to the Finance Committee.

Sams carried S.F. 233, a bill to exempt ambulance services from the MinnesotaCare tax, effective for payments received on or after June 30, 2000. S.F. 233 was also amended into S.F. 260.

Sen. Dan Stevens (R-Mora) carried S.F. 115, a bill to repeal the MinnesotaCare premium and provider taxes. Stevens said the MinnesotaCare tax

is not an equitable tax because it is not broad-based and it overburdens the elderly and those on limited incomes. Under the bill, the MinnesotaCare taxes, the one percent premium tax and the federal reserve account in the health care access fund are repealed, effective January 1, 2002. The bill requires that all health plan companies reduce premium rates due to the repeal of the MinnesotaCare taxes and the one percent premium tax.

Premiums paid to health maintenance organizations, nonprofit health service plan corporations and community integrated service networks are exempt from taxes under the bill. Another provision requires that the annual tobacco settlement payments be deposited in the health care access fund beginning December 31, 2001.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment to simplify and clarify language in the bill. The amendment provides that the commissioner of finance transfer funds from the general fund to make up for projected deficits if the commissioner determines that MinnesotaCare expenditures during a biennium will exceed the total of the funds projected to be available in the health care access fund. Stevens said he supported the amendment, which was adopted, and the bill was laid over.

### Charter schools recognized

The Senate held a brief floor session Thurs., Feb. 8, in order to process bill introductions and facilitate the movement of bills between committees.

Members also adopted a resolution recognizing Minnesota's charter schools. Sen. Gen Olson (R-Minnetrista), chief author of the resolution said that the resolution is timed to coincide with the awarding of a \$100,000 grant resulting from the Minnesota charter school law being named a winner in the Innovations in American Government Awards Program of the Kennedy School of Government at Harvard University.

Olson said the grant is to be used to increase public awareness of charter schools and to encourage replication by other states. Minnesota was the first in the nation to enact charter school legislation and, thus far, 36 other states and the District of Columbia have enacted similar legislation. The resolution was adopted.

### Tour the Capitol on CD-ROM

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# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Bills on animal violence okayed

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), approved two bills Weds., Feb 7, that relate to pet animals. S.F. 197 is a bill that makes it a felony to inflict substantial and intentional harm on a pet or companion animal. S.F. 221 outlines the responsibilities of owners of dogs that have been found to be dangerous.

Sen. Don Betzold (DFL-Fridley), author of S.F. 197, said, "The link between people who show intentional cruelty to animals and then harm human beings is well-documented." Betzold said his bill creates two felony penalty levels for cruelty to a companion animal, depending on the severity of the harm done. Under the bill, persons who inflict "substantial bodily harm" to a companion animal can be imprisoned for up to one year and fined up to \$3,000, or both; persons convicted of "great bodily harm" to a companion animal can be imprisoned for up to two years or fined up to \$5,000, or both. The bill also contains a provision letting a judge require the offender to receive psychological counseling, Betzold said.

Wade Hanson of the Humane Society testified that he sends a number of animal cruelty cases to court each year, and said, "One of the frustrations of my job is to see such cases of cruelty and abuse and only be able to file misdemeanor charges." Barb Wegner, president of the Minnesota Animal Control Association, said a stronger penalty for animal cruelty will serve as a deterrent against any kind of cruelty.

Sen. Kenric Scheevel (R-Preston) asked if the bill could lead to a grief-stricken pet owner bringing litigation against a person who accidentally runs over a companion animal. Betzold pointed out that a prosecutor will not pursue a felony charge unless there is a good chance it can be proved beyond a reasonable doubt that the harm done to the animal was intentional. He added, "I think the bill, the way we have it crafted here, will get at the cases we really want to get at."

Daniel Tapio, who raises bison in Delano, testified against the bill. He said

he was arrested and accused of letting his bison herd starve, a charge he said was completely false. Tapio criticized a provision in the law that allows an animal control officer to bring charges against a person and then leave the area, leaving the person and the county to settle the messy situation. "I don't approve of people beating animals, but I don't approve of what this law does to humans," he said. Betzold said the bill being considered applies only to companion animals, not to livestock.

Sen. Steve Dille (R-Dassel) pointed out that the bill requires police officers to arrest a person found in violation of animal cruelty laws. Dille offered an amendment to give officers greater discretion in making arrests. Betzold opposed Dille's amendment and said the amendment addresses animal neglect whereas the bill is aimed at cruelty to animals. Tim Shields, an attorney with the Humane Society, said he opposes any amendment that changes the practice that has been in place for 14 years. He pointed out that officers have discretion in determining whether a violation occurred in the first place, and seldom have the expertise to confirm a violation and make an arrest on the spot. Dille withdrew his amendment and the bill was sent to the Crime Prevention Committee with a recommendation to pass.

Sen. Sandra Pappas (DFL-St. Paul), author of S.F. 221, explained the purpose of the bill. She said it sets standards for allowing animal control authorities to declare a dog dangerous, destructive, potentially dangerous, or potentially destructive. The bill, Pappas said, requires the owner of a dangerous dog to purchase liability insurance and have a microchip implanted in the dog for identification. In addition, she said, a dangerous dog must be registered and can be seized if not properly restrained. Pappas added that the bill allows local governments to impose even stricter restrictions. Sen. Charles Berg (R-Chokio) said a similar bill he authored earlier was challenged as unconstitutional. Pappas said she has not heard opposition from pet owners and pointed out that her bill is not breed-specific and has a provision allowing dog owners to appeal a "dangerous dog" designation.

Judi Gordon, who witnessed a pit bull attack that seriously injured a neighbor, testified in support of the bill. She said she owns dogs and cats herself, but "If any of

them ever exhibited behavior anything like that, they would not be in our family."

Dille offered an amendment that lets a "dangerous" or "destructive dog" designation be removed if animal control authorities find that the dog's behavior has changed due to age, castration, spaying or other factors. Bill Forbes, an animal correction officer in Bloomington, said he was nervous about whether the amendment, as drafted, would protect public safety. The amendment was defeated. The bill was referred to the floor with a recommendation to pass.

## Capital Investment

### Dept. of Admin. overview heard

The Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), heard an overview of the Department of Administration Thurs., Feb. 1.

Assistant Commissioner Kath Ouska said the department controls 35 percent of all state-owned buildings and the University of Minnesota and the Minnesota State Colleges and Universities owned the rest. Of the buildings controlled by the department, about 30 percent are owned by the state and 70 percent are leased to the state, she said.

Ouska said that in 1993 the department recommended that by 2003 the state own 70 percent and lease 30 percent of the government buildings controlled by the department. She said the department advised leasing a fraction of the buildings to increase financial flexibility. She also said ownership of the majority of buildings permitted greater control of long term costs.

"It would be nice to build two buildings every year," she said. She said the department had completed the Revenue Department building and just broken ground for the new Bureau of Criminal Apprehension building.

Sen. Cal Larson (R-Fergus Falls) said he was concerned about the maintenance of buildings. "We've got a lot of terrible buildings out there and it's a serious, serious issue. We have got to do a better job of keeping up what we have," he said. Ouska said, "The department recommends increasing its budget two percent every biennium and using the money for repair and maintenance, but I don't think that will happen." She said the increase was not included in the governor's budget plan.

## Crime Prevention

### Nonsupport bill presented

The Crime Prevention Committee met Thurs., Feb. 2, to discuss clarifying and modifying the crime of nonsupport of child or spouse and to hear a report on the per diem prison cost reduction plan by the Department of Corrections (DOC).

Sen. Don Betzold (DFL-Fridley) presented S.F. 287, a bill authored, he said, in response to an issue brought forward by the Hennepin County Attorney's Office. According to Betzold, the bill addresses three loopholes in statutes that limit the effectiveness of prosecuting persons out of compliance with court ordered support. Under current law, the felony and gross misdemeanor penalties for nonsupport are only triggered by the passage of time without a payment, 180 and 90 days, respectively. A minimal payment of \$10 on the 179th day, for example, will start the clock over. The bill changes language so that a minimum of 25 percent of the amount of court-ordered child support must be paid during the relevant time period.

Betzold said the statute is not clear that "lawful excuse" in this context is an affirmative defense. Under current law, it is a crime when a defendant "knowingly omits and fails without lawful excuse to" provide care and support. The prosecution is burdened to show the absence of a legal excuse—or proving a negative—as an element of the crime, he said.

The bill also clarifies the definition of the term "legal excuse." According to a report by the Hennepin County Attorney's Office, defendants have argued that inability to pay is a "legal excuse" even when there has been no modification in the obligor's court ordered support. Hennepin Deputy County Attorney Jim Jacobson said the civil child support system places the burden on obligors to apply for modifications in their level of support if their circumstances change. Jacobson said the cumulative amount of child support in arrears in Minnesota totals \$902 million as of June 30, 1999. His office, he said, has made the collection and prosecution of those willfully refusing to make support payments a priority. However, criminal prosecution is used only as a last resort, involving the most serious, difficult cases, according to Jacobson. The panel voted to recommend

that the bill be advanced, as amended, and re-referred to the Judiciary Committee.

Department of Corrections Deputy Commissioner Dennis Benson outlined efforts his agency was making to streamline costs and maintain high quality facility and program standards. He said the department was trying to do more in terms of technology, such adding electronic locking and detection devices at various facilities, in an effort to make them more efficient. Sen. Dave Kleis (R-St. Cloud) referred to recent news concerning prison escapees in Alabama. He said he was concerned about proposed staff reductions in Minnesota prisons because prison officials in Alabama cited insufficient staffing as a contributing factor in the escape. Benson replied that prison escapes do tend to occur in cycles but said he did not think our system is compromised. Members compared per diem costs for prisoners and the proposed staff reductions.

The panel also discussed the prison population issue illuminated by Benson. He said that prison populations in California, New York and Ohio have leveled or declined in growth recently. Ranum asked whether or not he attributed the declining populations to legislative policy decisions. Benson said his department was looking into that question but had yet to determine a definitive answer. However, he did think the declines could be related to better prevention programs and a healthier economy. Benson also said that Ohio, for example, has a parole board as opposed to Minnesota sentencing guidelines system of evaluating the status of offenders. Sen. Warren Limmer (R-Maple Grove) said that declining rates of violent crime seem to correspond to stricter sentencing policies.

### Juvenile crime research considered

An overview of juvenile crime trends, behavioral influences, related service gaps and programming was presented at the Weds., Feb. 7, Crime Prevention Committee meeting. Sen. Jane Ranum (DFL-Mpls.), chair of the committee, introduced Tim Walsh from the Department of Corrections (DOC) Juvenile Services Division, who outlined juvenile offender data. According to Walsh, there are approximately 15,000 juvenile offenders with mental health problems. Of those, he said, research indicates that 75 percent come from families having significant problems, 51 percent had been abused by

parents and 43 percent demonstrate violent tendencies.

Walsh told members that the DOC facility at Red Wing houses the most serious juvenile offenders, including those who failed treatment programs. Ranum asked, "How many Red Wing inmates come to the facility with diagnosed mental illness?" Walsh said that until recently, 60 percent of the inmates were diagnosed "mentally ill," but added that more recently the number had dropped to about 38 percent, a decline he attributed to better diagnostic methods. The significant increase in funding, appropriated during the last Legislative Session enabled the hiring of psychiatric nurses and other staff who specialize in mental health treatment, he said.

Walsh said, "I want to emphasize the need for better aftercare and transition services, which is an area of deficit in our current justice system."

Janet Wiig, executive director of the Institute on Criminal Justice at the University of Minnesota Law School, addressed the issues of risk and prediction in child delinquents. Wiig said her report focused on the very young, which she defined as offenders under the age of 13. Although incorrigible child delinquents represent a relatively small number of offenders, they consume disproportionate amount of resources, according to Wiig. Research findings uniformly agree that the risk of later violence, serious offenses, and chronic offending is two to three times higher for the early onset offenders, as compared to the later onset offenders, she said. Compared to offenders who start their "career" at a later age, child delinquents are also more likely to use weapons, become gang members and/or engage in substance abuse, according to the report.

Minnesota Supreme Court Justice Joan Lancaster focused her report on identifying the needs and gaps in juvenile services statewide. The Juvenile Justice Services Task Force, which she chairs, determined that statewide programming needs are lacking in aftercare programs, arson services, chemical dependency, early intervention, fetal alcohol syndrome/effects services and mental health services, to name a few, she said. Lancaster named system gaps identified by the task force, such as making caregivers accountable for their child's treatment—and collaboration gaps, including the frequent failure of agencies to exchange the information they

# Committee update

have available, as among the issues in need of statewide attention.

In response to rising numbers of police reports of crimes committed by very young children in Hennepin County in 1995 the Hennepin County Attorneys Office began to study ways to prevent children from continuing to slide into further delinquency, said Hennepin County Attorney Amy Klobuchar. The Targeted Early Intervention (TEI) program was formed and began serving a small group of extremely high-risk children, according to her report. TEI is comprised of the County Attorneys Office, the Department of Children and Family Services, the Department of Economic Assistance and the Department of Community Health, along with several business community partners. Working together, risk factor studies were launched. Hennepin County TEI Program Director Kristi Lahti-Johnson provided data concerning demographics and environmental factors affecting children in the study.

A TEI model was developed that focused on early intervention and working with schools to improve behavior and attendance and to involve children with extracurricular activities, in addition to providing support and acting as mentors. Klobuchar said TEI targeted a service delivery team that included parents and other family members and various county services. Klobuchar said that results of the program, according to follow-up interviews with parents, showed that 71 percent of parents felt that their child's feelings of self-esteem had increased since participating in TEI, 64 percent of parents felt that their child had a better understanding of the difference between right and wrong and half of parents felt that their child's skills in getting along with other kids had increased.

Ramsey County Commissioner Victoria Reinhart and Ramsey County All Children Excel (ACE) Program Director Hope Melton discussed Ramsey County's approach to intervention for children at high risk of becoming serious offenders. Reinhart told members that 76 percent of the children in the target group had committed at least one serious crime by the age of ten. She said that a combination of temperament and environment were factors to consider in evaluating which juveniles were high risk. Reinhart said that Ramsey County expanded the model implemented by Hennepin County and named their model ACE.

University of Minnesota Konopka Institute Director Judith Kahn said that her organization adapted the Blueprints Program from work begun by Peter Greenwood, PhD, RAND Corporation. Kahn said that strategies that do not work include boot camps, vocational programs for delinquents, programs that bring delinquents together in the community, Wilderness Challenge and the original DARE program. Several members questioned the blanket dismissal of the programs mentioned. Kahn said that there were variations to the programs cited and that some were better than others, but that overall, research indicated that there were better methods for modifying behavior.

## Education

### Child care assistance plan heard

A child care consolidation proposal was presented by Karen Carlson and Cherie Kotilnek from the Department of Children, Families and Learning at the Education Committee on Mon., Feb. 5. Chair Sen. Sandra Pappas (DFL-St. Paul) presided.

Kotilnek said a request by the governor initiated the Department of Children, Families and Learning (CFL) child care consolidation proposal. Currently, she said, families can access state child care subsidies in three ways. First there is the Child Care Assistance Program (CCAP), administered by CFL. Kotilnek said the program assists families so that parents may pursue employment or education leading to employment. The program also ensures that children are well cared for and ready to learn, she said, and that child care is affordable. The Dependent Care Tax Credit Program (DCTC), administered by the Department of Revenue, can also be accessed as a child care subsidy, she said. The program provides a tax credit based on child care expenses, said Kotilnek. The final child care access program, she said, is the Post-Secondary Child Care Grant Program (HESO). The program is administered by the Higher Education Services Office, said Kotilnek, and serves parents in Minnesota's student population who need child care in order to continue their education at a college or university.

Kotilnek said that individually, the programs do not consistently allocate resources to the highest priority families and do not provide incentives for families

to transition to self-sufficiency. She said the programs also don't treat families in similar circumstances similarly. "Consolidation of these child care programs," said Kotilnek, "will address these concerns and consequently improve service delivery and simplify program administration. The governor recommends reallocating existing child care resources to create a consolidated child care assistance system in which eligibility aligns more closely with policy priorities," she said.

The governor believes these priorities will be accomplished, she said, by reallocating HESO and DCTC general fund dollars to CCAP and consolidating CCAP sub-programs.

Child care investments in the governor's budget include current child care assistance fund of \$416.1 million for FY 02-03 and \$407.5 million in FY 04-05; a reallocation of child care resources for dependent care tax credit totaling \$12 million in FY 02-03 and \$24 million in FY 04-05, along with a higher education services office child care grant program of \$9.49 million in FY 02-03 and another \$9.49 million in FY 04-05. Also included in the budget is \$21.52 million for FY 02-03 and \$51.81 million in FY 04-05 for anticipated child care resources driven by Minnesota Family Investment Plan (MFIP) proposals. The governor also proposes \$1.15 million for FY 02-03 and \$9.27 million for FY 04-05 for marginal cost (Temporary Assistance for Needy Families (TANF), not including anticipated child care resources driven by MFIP proposals).

The proposed consolidation policy allows for an entrance level at 50 percent state median income (SMI). The amount translates to an income of \$28,200 for a family of three or \$22,828 for a family of 2, both of which are approximately 200 percent Federal Poverty Guidelines (FPG). The exit level allows for 75 percent (SMI), \$42,300 for a family of 2 or \$34,245 for a family of 3, both of which are approximately 300 percent FPG. Additionally, families who enter with incomes above 50 percent SMI are eliminated from the program along with post-secondary students working less than an average of 20 hours per week and at-home infant care participants.

Kotilnek said that the consolidated child care assistance program would be included in the forecast under restricted eligibility requirements. Provisions for monitoring, and if necessary containing,

costs are part of the proposal, she said. There are also other policy changes that may affect funding, levels of support and how families currently receiving the funds will be affected, she said. Also affected, she said, may be the maximum, average and actual subsidies received by families. Kotilnek said that current enrollees have incomes below the proposed exit level and will be allowed to continue in the program until their incomes reach the exit level.

### **Tornado disaster relief bill heard**

Sen. Sandra Pappas (DFL-St. Paul) called the Education Committee to order Wed., Feb. 7, to hear a bill for tornado disaster relief.

Sen. Dean Johnson (DFL-Willmar), author of S.F. 23, explained a provision in the bill that relates to education. He said the bill provides school district No. 2190, Yellow Medicine East, with \$156,000 from the FY 01 surplus. The appropriation is needed to compensate the district for monies lost due to district student decreases that resulted from the July 25, 2000 tornado. The bill also provides for a funding phase-out schedule for FY 02 and FY 03, the amounts of which are \$117,000 and \$78,000 respectively. Sen. Martha Robertson (R-Minnetonka) asked why the appropriation isn't coming out of the "rainy day fund." Sen. Keith Langseth (DFL-Glyndon) said the "rainy day fund" is for downturns in the economy, not emergency situations.

Johnson said the tornado resulted in two plant closings and about 300 damaged homes, 60 of which were destroyed. There are 30 documented cases of students leaving the district as a result of the tornado's effects, said Johnson. "We are not talking about declining enrollment," he said, "These students left with parents who went to find a job in another community."

Sen. Kenric Scheevel (R-Preston) distributed copies of a comparison report. The report indicated enrollment decline between FY 01 and FY 02 and indicated the decreased number of students as well as the percentage rate. Scheevel said, "There are a whole host of schools that have lost a higher percentage of the student population this year than Yellow Medicine East." He said, "To be fair, only 2.9 percent of the 5.79 percent enrollment decline in Yellow Medicine East is due to the tornado." He also said the committee should be looking at ramifications of

approving the bill on a state-wide basis so that this kind of request doesn't re-occur. Robertson said she agreed with Scheevel because the Legislature didn't provide relief for districts that experienced student decline as a result of the 1997 floods. Sen. Lawrence Pogemiller (DFL-Minneapolis) said that Yellow Medicine East's need for compensation due to a loss of student population is the result of a natural disaster, something, he said, other school districts cannot claim. The bill was approved and was referred to the Tax Committee.

Peter Butler of Senate Counsel and Research and Ralph Brown of the Department of Administration presented a facility use analysis of MnSCU and intermediate districts. Brown said from 1967 to 1969 certain Twin Cities area independent school districts were authorized to form three intermediate school districts. The partnerships involved are Century College and intermediate school district (ISD) No. 196, Dakota County Technical College and ISD No. 917, and Hennepin Technical College and ISD No. 287.

In 1970, Butler said, the districts set up facilities in the college buildings for use by secondary and post-secondary vocational programs, special education programs and administrative offices. In 1995 the state assumed ownership of the technical college facilities but the districts were allowed to continue using them, in approximately the same manner, under joint powers agreements, he said. In 2000, said Butler, MnSCU indicated its intention to decline renewal agreements after 2005 but to accommodate mission-compatible programs through leases.

The analysis, said Brown, indicated that Century College needs additional space, Dakota County Technical College has a space surplus now and a projected 5 percent deficit in 2005, and Hennepin Technical College's two campuses have space surpluses now and projected surpluses in 2005.

Six possible joint powers agreement options were arrived at in the analysis, said Butler. He said the first possible agreement is to leave the 2010 termination date and have a future Legislature reevaluate the facility sharing. The next agreement considered, he said, is to allow the districts to continue sharing the facilities indefinitely under the current or similar joint powers agreements. Another option is to

create joint powers boards that would manage each facility, said Butler. The last three possible agreements, he said, are to introduce "eminent domain" into the joint powers agreement, to replace the joint powers agreements with a standard lease arrangement, and through a lease arrangement, require MnSCU to provide some amount of space for mission-compatible secondary programs.

Butler said the analysis that prompted the decision to terminate lease agreements in 2005, explored policy questions, mission compatibility, space needs and property tax responsibility.

Bill Larson from ISD 917 and Larry Litecky from Century College also spoke to the issue of facility use. Litecky said, "The mission-compatibility issue has us on the same page." Both Litecky and Larson agreed that there may be room for discussion on one of the potential joint powers agreements in the analysis.

## **E-12 Education Budget Division**

### **Tornado disaster relief bill heard**

The E-12 Education Budget Division met Mon., Feb. 5, to consider a tornado disaster relief bill. Chair Sen. LeRoy Stumpf (DFL-Thief River Falls) presided.

Sen. Dean Johnson (DFL-Willmar), chief author of S.F. 23, said the bill provides disaster relief for counties designated as major disaster areas due to the July 2, 2000 tornado. He requested that the committee consider the portion of the bill that covers the education element in the bill. The proposal allows \$390,000 to be designated from the general fund, over a four year period, to the commissioner of children, families and learning for grants to independent school district No. 2190 for Yellow Medicine East for tornado impact declining enrollment aid. He said that the effects of the tornado, a loss of jobs, businesses and homes, translated into 30 documented cases of district student losses. These losses, he said, in addition to the loss of students from the effects of the 1997 flood and the closing of two plants in 1999, places the district in an emergency funding situation.

He said the amendment calls for an appropriation of 100 percent of lost per-pupil funding the first year and 25 percent less per year after that until it is phased out in 2005. The funding translates into

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\$156,000 in 2001, \$117,000 in 2002, \$78,000 in 2003 and \$39,000 in 2004, for the total requested amount of \$390,000. He said the source for the 2001 appropriation would be the 2001 surplus. The bill was approved and referred to the full Education Committee.

The governor's education budget overview was continued. Rose Hermodson, director of government relations for the Department of Children, Families and Learning, addressed the budget for education excellence with regards to state accountability for assessment testing. She said that a test for the middle grades is suggested. Reading and math will be major areas of assessment, she said, and other areas will also be identified as reasons for some students not doing well.

Stumpf asked how President Bush's initiatives for school accountability would impact the testing proposals made by the governor. Hermodson said that the president proposes testing every year through the eighth grade with the state developing its own tests. She said, "We don't think we need that much testing." Ranum said that with research suggesting that reading progression is determined by grade three, maybe schools should be doing more testing in grades one and two. Sen. Jane Krentz (DFL-May Township) asked what the state's cost would be to release test results. Hermodson said the cost would be approximately \$250,000 per test at a cost of \$22 million per year if Bush's testing proposals are enacted.

## Early childhood budget heard

The E-12 Education Budget Division Committee met Weds., Feb. 7, to hear more of the Department of Children, Families, and Learning budget overview. The meeting was called to order by Chair LeRoy Stumpf (DFL-Thief River Falls).

Cherie Kotilnek of the Department of Children, Families and Learning presented the early childhood program budget, which includes the Minnesota Family Investment Plan (MFIP) child care, basic sliding fee (BSF) child care and child care integrity (CCI). She said the governor recommends transferring the BSF child care and CCI and MFIP child care appropriations to the consolidated child care assistance program addressed in a change item in the budget. Additionally, she said, the governor recommends an appropriation of \$175,000 for FY 02 and \$175,000 for FY 03 for child care integrity.

The change item, she said, reflects the governor's recommendation to consolidate child care development programs. Kotilnek said that consolidating child care emphasizes self-sufficiency for families by targeting resources in an equitable manner to the highest priority families. She said, "By decoupling access to the system from MFIP cash assistance, resources will follow families falling (back) into welfare." Kotilnek said that the consolidation plan reduces eligibility parameters for students and combines resources from other programs. She said that consolidation simplifies administration at the county level. Total anticipated resources for child care consolidation are \$216.2 million in FY 02 and \$242.9 million in FY 03, said Kotilnek.

Concern was voiced by many Senators over the program qualification changes resulting from the consolidation proposal. Sen. Becky Lourey (DFL-Kerrick) said there is a narrowing of choices for families and an inherent unfairness in the child care availability that results from this proposal, especially in a time of surplus. She also said, "I believe the state can't be dictating to families. It needs to offer a broad source of opportunities."

Prevention programs were reviewed by Carol Thomas, acting prevention department manager. She said the mission of prevention programs is to make children feel safe and cared for, remove barriers and address things that keep children from doing well at school and help children make a good transition to adulthood. The idea, she said, is to better utilize resources for children.

Family service collaboratives (FSC) was one of the budget items covered by Thomas. She said the collaboratives were established with five year funding periods and the state's role with FSC is to promote policies that enhance local decision-making, improve public accountability and improve the ability of families to gain access to services. Thomas said the governor recommends an appropriation of \$1.477 million for FY 02 and \$863,000 for FY 2003, with carryforward authority. Sen. Jane Ranum (DFL-Mpls.) said, "The state needs a one-stop-shop for families to gain access to programs because a multi-faceted program is often needed by families. Other prevention program items in the budget were also reviewed.

Lois Engstrom, supervisor of early childhood and family initiatives, reviewed budget items relating to her area of responsibility.

## Higher Education Budget Division

### MHESO programs presented

The Higher Education Budget Division, chaired by Sen. Deanna Wiener (DFL-Eagan), heard a presentation of Minnesota Higher Education Services Office (MHESO) programs Mon., Feb. 5.

Director Robert Poch said, "The number one primary value for the office is access." He said that his office promotes economic accessibility to higher education by coordinating financial aid services and providing information about higher education institutions in Minnesota. The office distributes \$100 million in need-based aid each year, he said.

The department also oversees the MINITEX library information network, which provides an extensive, online shared catalogue of public and private libraries in Minnesota, he said. According to Poch, the MINITEX system also delivered over 300,000 requested library materials to patrons who would not have access to them otherwise.

He said MHESO will be presenting the office's budget requests to the committee in two weeks. "We are not bringing forth new programs," Poch said. "We are asking you to fund existing programs with proven records of success." Dr. Jerry Setter, director of financial aid and data, said that MHESO will make formal recommendations concerning financial aid consideration for students who need personal computers. He said the office will also propose changing the current policy under which full time students on financial aid pay the same amount of tuition even if they take more than a full load of credits.

### Private colleges, budget discussed

The Higher Education Budget Division listened to an overview of the Minnesota's Private College Council and the governor's higher education budget Wed., Feb. 7.

Dr. David Laird, president of the Private College Council, said, "The organization represents 16 of the state's best four-year liberal arts colleges and universities. We serve our member colleges through government relations and public policy development, research and data analysis, fund development, and grant acquisition activities."

According to Laird, 70 percent of the



state's private college students are from Minnesota. "Through financial aid our students receive only 2.7 percent of state investments in higher education," he said. "Taxpayers save \$200 million when students attend private colleges instead of enrolling in public institutions."

"One way to meet the workforce needs," he said, "is to expand the base of students who succeed in high school, prepare for college, and complete a post-secondary education." He said because Minnesota's unemployment rate is one of the lowest in the country and the percentage of working women in the state was one of the highest, the state cannot further draw from its population of educated workers to fill employment needs. Instead, he said, colleges and universities need to tap into the reserve of low-income students who otherwise would not be obtaining a post-secondary education and prepare them for the workforce.

Furthermore, Laird said, the best indicator for a college or universities' success was its ability to prepare low income and minority students. He said that the council recommends increasing funding for the Minnesota state grant program and programs that provide educational opportunities for under represented students. Laird said last biennium the Legislature allocated \$1 million dollars to programs for minority students; this year the council is recommending \$10 million for the programs.

Department of Finance Executive Budget Director Stewart McMullan presented the governor's higher education budget proposals. He said that the University of Minnesota had requested a \$221.5 million funding increase and the governor is recommending \$48.6 million; Minnesota State Colleges and Universities (MnSCU) had proposed \$255.6 million in new spending and the governor is suggesting \$40.6. Both the University and MnSCU requested funding for a three percent inflationary increase for faculty and staff salaries, he said.

According to McMullan, the governor is proposing \$40.6 million be allocated to each institution to fund two-thirds of the requested inflationary increases and the remaining one-third should be funded through tuition increases.

McMullan also said that the governor is recommending \$30.2 million in new spending for the Higher Education Services Office for financial aid; the

increase will be offset by capping the amount that living and miscellaneous expenses are covered by Pell Grants. According to McMullan, Congress set the living expense at double the state's allowances for the cost of living; the \$20 million difference between the state and federal allowances would be reallocated to cover most of the increased financial aid spending.

## Environment and Natural Resources

### Recycling, waste management presentations heard

The Senate and House Environment and Natural Resources Committees met jointly Thurs., Feb. 1, to hear presentations on recycling and waste management. The Office of Environmental Assistance (OEA) gave its biennial report, and Legislators also heard presentations by the Department of Administration and the "Get Caught Recycling" program. Co-chair Sen. Jane Krentz (DFL-May Township) presided.

Sherry Enzler, director of the OEA, presented the biennial report. Enzler said the mission of the OEA is to protect Minnesota's environment and ensure a sustainable economy. It does this through education and partnership with business, she added. The agency is viewed as a national leader in the area of product stewardship, Enzler said, which is defined as a concept that requires producers, retailers and consumers to share responsibility for the environmental impacts of a product. Specifically, the agency has convinced the carpet industry to internalize the cost of recycling discarded carpet and has worked with Best Buy company to collect old electronics. Enzler said "The OEA has a unique approach to dealing with industry and getting industry to move forward in this area in a non-regulatory way."

The OEA is also heavily involved with Solid Waste Management, Enzler said. She said the state will landfill an estimated 70 million tons of municipal solid waste over the next 20 years. To address this problem, Enzler said, a Solid Waste Technical Work Group will identify strategies to develop an integrated solid waste management system, then submit a report to a Solid Waste Advisory Committee, which will develop options for a statewide system that protects the

environment and minimizes landfill usage.

Education, grants and research are other areas the OEA works in, Enzler said. It publishes the GreenPrint plan for environmental education and provides technical assistance grants to help manufacturers implement new pollution prevention practices, she said.

Sen. Dan Stevens (R-Mora) said, "It has to be factored in what the cost of recycling is going to be." Stevens estimated the cost of recycling at \$150 a ton and of landfilling at \$50 a ton. He said building a new landfill is inevitable, and asked how much of a factor economics will play in developing a waste management system.

Enzler said she agrees that economics has to play a major part in considerations, and said recycling could be more efficient if, for example, plastics were collected in a way that meets the needs of the carpet industry. She also pointed out that when the cost of landfill maintenance and cleanup is factored in, the cost per ton is around \$100. She said education for waste reduction is also important and added, "This is not going to be an overnight thing but a gradual process of looking at how waste is collected and how markets develop."

Sen. Pat Pariseau (R-Farmington) said she is stunned that the agency is not talking much about reuse and said, "We haven't invented a single new word or new concept in the 12 years I've been here." She challenged the OEA to think outside the box. Enzler said she agrees completely that innovation is necessary. She said the Solid Waste Technical Work Group will focus in developing new solutions to waste disposal.

Krentz announced the makeup of a joint House and Senate Solid Waste Working Group. Sen. David Tomassoni (DFL-Chisholm) will chair the group and Senators Ellen Anderson (DFL-St. Paul), Linda Higgins (DFL-Mpls.), Gen Olson (R-Minnetrista) and Bob Lessard (IND-Int'l. Falls) will be in the working group, along with five Representatives.

Kent Allin, assistant commissioner of the Department of Administration, spoke about joint efforts with the OEA to promote responsible use of resources among government agencies. Allin said the 1998 Procurement Reform Act allows buyers for the state to include environmental considerations in their determination of best value. As a result, the department

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encourages state agencies to buy recycled paper products, Allin said. In addition, he said, 75 percent of the light-duty vehicles in the state fleet run on alternative fuel. Brenda Willard of the Dept. of Administration said the state “has made great strides in the past few years accelerating the purchase of environmentally responsible products.”

Finally, Joan Archer, president of the Minnesota Soft Drink Association, and Paul Gardner of the Recycling Association of Minnesota presented their joint program “Get Caught Recycling.” Both organizations want to promote the recycling of polyethylene terephthalate (PET) plastic beverage bottles, Gardner said. He said the Soft Drink Association is supporting a program where agents will be sent out to check recycling bins in residential neighborhoods for PET bottles. Anyone “caught” recycling PET plastic will receive a \$100 bill. Archer said she hopes PET recycling will be widespread in less than the 25 years it took for aluminum recycling to become prevalent.

Anderson said recycling plastic is difficult in St. Paul and more information on plastic recycling is needed throughout the state. Krentz said the school her children attend would like to recycle PET bottles but doesn’t have a feasible method to do so. She suggested that the Soft Drink Association provide incentives for recycling in schools so that children get in the habit of recycling.

## DNR reorganization presented

The Department of Natural Resources (DNR) gave an overview of recent changes to its organizational structure at a meeting of the Environment and Natural Resources Committee Tues., Feb. 6. Senators asked a number of questions about DNR issues. Committee Chair Jane Krentz (DFL-May Township) presided.

Deputy Commissioner Steve Morse said the DNR has a budget of over \$600 million and employs approximately 4,000 people. Recent changes have resulted in fewer senior managers and more people in the field, Morse said. The department is also working to give local agencies more decision making authority, he said. Another major change, according to Morse, is the implementation of quarterly budget reviews for all divisions. Morse said, “This has really helped deal with surprises. As issues come up, we deal with them ahead of time.” He added that there

have been many changes in the past few years and said, “It’s important when we make changes within the organization that we pace those changes so we don’t overwhelm people.”

Sen. Dan Stevens (R-Mora) asked how much more property the department is going to acquire in Northern Minnesota counties, saying, “It seems [the DNR] is gobbling up more and more property... kind of for the sake of owning land.” He suggested it would be wise to get some of the less desirable lands back on the tax roll. Morse said department policy is not to acquire land unless the department has the money to develop it for its intended use. He said the department doesn’t acquire much land, and has done some land exchanges in the past few years.

Sen. Pat Pariseau (R-Farmington) asked how the department deals with complaints, such as the ones she has been hearing about having to license portable fish houses. Morse said an Office of Professional Standards investigates major complaints, while minor ones are routed through the division where they occurred.

Assistant Commissioner Brad Moore then discussed changes among the operating divisions of the DNR. Certain services have been transferred between divisions for the sake of efficiency, Moore said. For example, campground management has been transferred from the Division of Forestry to the Division of Parks so that the Division of Forestry can concentrate on its mission. The traditional setup of having six operating regions, however, has been retained, Moore said, because otherwise regions were too big to handle.

Sen. Leonard Price (DFL-Woodbury) asked if there has been a decline in the number of full-time DNR employees. Morse said there are more full-time employees but fewer senior managers.

Sen. Anthony “Tony” Kinkel (DFL-Park Rapids) had a question about enforcement. He said people in the Park Rapids area are clamoring for more game wardens because of overfishing. Kinkel suggested that new or relocated game wardens should be sent to the area before fishing rules change.

Morse said the game warden recruitment process takes time, but 24 new wardens will start soon. Pariseau noted that some wardens lack interpersonal skills and should work on being ambassadors for the DNR. Morse said the department is working to find diverse recruits with people skills.

Finally, Assistant Commissioner Kurt Ulrich overviewed changes in the administrative branch of the DNR. The number of bureaus, Ulrich said, has been reduced from 7 to 4, and the hiring process has gone from 20 steps to 5. Sen. Charles Berg (R-Chokio) and Sen. Bob Lessard (IND-Int’l. Falls) said they have experienced problems with the Electronic Licensing System (ELS), but Ulrich said the large majority of people who use ELS are satisfied.

## Environment and Agriculture Budget Division

### Zoo, Boundary Commission budgets reviewed

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard budget overviews Thurs., Feb. 1, from the Minnesota Zoological Garden and the Minnesota-Wisconsin Boundary Area Commission.

Lee Ehmke, director of the Minnesota Zoo, said, “In the zoo community, the Minnesota Zoo is known as a leader, especially in conservation and conservation education.” A 1999 study of governance, Ehmke said, concluded that the zoo should maintain its current governance structure, under which it receives approximately one third of its funding from the state.

Jim Reinholdz, vice president of Finance and Administration Services at the zoo, outlined the governor’s budget proposal for the zoo. The governor recommends the zoo’s base funding, with an inflationary increase built in, which amounts to about \$18.5 million each year. The governor also supports \$230,000 from the Legislative Commission on Natural Resources for a project to improve interpretive graphics at the zoo. In addition, the governor’s capital spending proposal appropriates \$4 million to improve deteriorated roads and pathways. Reinholdz said about the project, “It’s not an exciting project – we’d rather be adding exhibits – but it is necessary to maintain our infrastructure.”

Sen. Pat Pariseau (R-Farmington) asked how the Minnesota Zoo’s funding sources compare to other zoos. Ehmke said the trend among zoos has been toward greater self-sufficiency, with a common balance being one third public funding,

one third funding from zoo revenues and one third from private donations. In response to questions about the zoo's admittance policies, Reinholdz and Ehmke said there is still a provision for free school groups. They also said the zoo tries to increase attendance by distributing free passes for children and is exploring strategies for attracting senior citizens.

Steven DeLapp and James Sieben of the Minnesota-Wisconsin Boundary Area Commission presented a biennial report. DeLapp said the commission works to protect the ecosystems and the quality of recreational experiences along the portions of the Mississippi and St. Croix River Valleys that form the Minnesota-Wisconsin boundary. Sieben said recent efforts have focused on finding a consensus approach to the placement of cell phone towers in the St. Croix Valley. The governor's budget does not propose any changes in funding, which is split evenly between Minnesota and Wisconsin, DeLapp said.

Sen. Jane Krentz (DFL-May Township) asked if anything can be done to halt the spread of zebra mussels in the St. Croix River. Clarence "Buck" Malick, executive director of the commission, said the St. Croix has been declared infested and boating traffic has been restricted to keep zebra mussels from entering the Mississippi. There is no effective method for eradicating the mussels, Malick said, but the commission continues its policy of inspecting and cleaning boats on which zebra mussels are found.

## Health and Family Security

### Emergency services bill considered

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples) met Mon., Feb. 5.

Sen. Becky Lourey (DFL-Kerrick) authored a bill, S.F. 232, to address the pending financial crisis facing ambulance services throughout Minnesota. Lourey said that when Congress passed the Balanced Budget Act of 1997, dramatic changes occurred in the method by which ambulance services are reimbursed for patient care. This year, she said, ambulance services will be placed on a national fee schedule that will reduce Medicare reimbursement by approximately 20 percent. O.J. Doyle, representing emergency medical services, said that in

addition to the fee schedule, ambulance services would no longer be allowed to bill Medicare patients for unpaid balances on their ambulance bills. He said that by law, ambulance services are required to respond to all emergency calls, even those not categorized as "emergencies." The MinnesotaCare insurance program covers ambulance service, but only for emergency calls. Doyle estimated that the fee schedule mandated by the Balanced Budget Act of 1997, coupled with mandatory assignment will cost the ambulance industry in Minnesota approximately \$37.237 million per year. According to Doyle, without some type of financial relief, Minnesota ambulance providers face an uncertain future.

The bill sets special taxing districts for emergency medical services. It provides for governance of a special taxing district by a board made up of representatives of each participating political subdivision and authorizes the board to levy a property tax in the special district.

Sen. Sheila Kiscaden (R-Rochester) said she was concerned about establishing a precedent in taxing for a particular health service, especially since a very broad range of related services could be justified in making similar requests. "Emergency helicopter service, for example might also need funding help," she said. Doyle said that 65-70 percent of ambulance workers are volunteers and that emergency medical services do not have the resources to deal with the terms of the new federal regulations. "It is a statewide crisis," he said. Members made the recommendation that the bill pass and be re-referred to the Tax Committee.

A bill to establish the council of health boards was carried by Sen. Sheila Kiscaden (R-Rochester). The bill, S.F. 256, allows the formation of a collaborative body comprised of the executive directors of the health-related licensing boards. The council will provide information to the Legislature concerning proposals related to the regulation of health occupations. Currently, the licensing boards include a total of 15 entities, such as, the medical practice, nursing, pharmacy, dentistry and psychology boards. Board of Examiner's Chair Mike Gibson emphasized that the council would not make recommendations to the Legislature, but would work in an advisory capacity only. The bill was amended to include representation from the Emergency

Medical Services Regulatory Board and to establish that council members serve on a voluntary basis. Another provision added the commissioner of health or a designee to the council. The bill was recommended to pass as amended and re-referred to the State and Local Governmental Operations Committee.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 274, a bill that extends the term of the Respiratory Care Practitioner Advisory Council to June 30, 2003. Under current law, the advisory council is set to expire June 30, 2001. A second provision prohibits the Board of Medical Practice from renewing an athletic trainer registration that has lapsed on or after July 1, 1999, and has not been renewed within two annual renewal cycles starting July 1, 2001. It also requires that an athletic trainer whose registration has been canceled for nonrenewal must obtain a new registration by applying and fulfilling the requirements for an initial registration. Higgins said the board reviews credentials, hears and processes complaints and advises the licensing committee. Members advanced the bill to the State and Local Governmental Operations Committee with the recommendation that the bill be passed.

Sen. Twyla Ring (DFL-North Branch) carried S.F. 249, a bill that repeals several obsolete health rules. Ring said the bill addresses three related rules that affect inactive retired licensure for chiropractors, the maximum permissible formaldehyde level in housing units, roller towels and lead safe certification in the housing industry. Members voted to recommend that the bill pass as amended and be re-referred to the Senate Floor.

## Joint Crime Prevention and Health and Family Security

### Juvenile issues heard

Sen. Jane Ranum (DFL-Mpls.) and Sen. Dallas Sams (DFL-Staples) co-chaired a Joint Health and Family Security and Crime Prevention Committee meeting Mon., Feb. 5, focusing on issues of juvenile violence and mental illness.

University of Minnesota Konopka Institute Director Judith Kahn introduced two students from the Adolescent Actors Teaching Project, who set the tone for the discussion by reading a handful of poems. The poems, written by troubled youth in

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juvenile detention settings, encompassed expressions of isolation, worthlessness and despair. Following the reading, Michael Resnick, Ph.D., Professor of Pediatrics, Division of General Pediatrics and Adolescent Health, University of Minnesota, presented findings from a student survey. The survey tracked findings for 1989, 1992, 1995 and 1998 for grades six, nine and twelve. The report indicated that between one quarter and one fifth of students reported very high levels of stress, with the highest distress levels occurring among youth in alternative schools and corrections facilities. Resnick said that although there are fewer instances of violent acts and gun carrying, rates of suicide attempts, which he defined as “violence turned inward,” are still very high. Resnick said the links between emotional stress, a health problem, and risky behaviors including violence, substance abuse, unprotected sex and suicide attempts are well established. According to Resnick, six percent of

children, or 72,000 children in Minnesota have serious mental illness problems.

In questioning adult prisoners about factors and events that had contributed to their stress levels and subsequent behaviors, Resnick said three responses predominated: physical abuse, sexual abuse (or both) in childhood; several moves from homes and/or residential facilities; and having no one to turn to for support. Sen. Pat Pariseau (R-Farmington) said she was surprised and disturbed to see that the survey indicated that rates of female sexual abuse and suicide attempts were so much higher than in males. “Young males tend to have lower suicide attempt rates, however, he said, they are more apt to be successful in their attempts.”

Robert Blum, MD, PhD, University of Minnesota said the most common mental health problems of teens include depression, pain syndromes, eating disorders, conduct problems and suicide. Evidence suggests that emotional distress levels begin to rise around age twelve, increasing

in intensity until age 19, he said. According to Blum, children with emotional problems can usually be identified by the time they reach third grade. Blum said the factors that protect teens from emotional distress and suicide attempts include healthy self-esteem, doing better in school, the availability of parents, having parental expectations for school and school connectedness. Self-esteem is created when individuals have opportunities to contribute to others and to develop competence, according to Blum. He emphasized the point that a caring adult is the most protective factor in the lives of young people.

Mary Andrews shared the experience of raising her son as he moved through the mental health, special education and corrections systems. A litany of behavioral problems, diagnoses and mis-diagnoses, school suspensions, hospitalizations and criminal charges characterized his youth. To date, the costs of combined mental health services, special education and



Two young women pause in the north corridor off the Capitol rotunda to view “The Clothesline Project”, a memorial to women and children who die each year from domestic violence and child abuse in Minnesota.

Photo by Shelley Hawes

corrections services total \$454,000, paid by the parents, the parents' insurance, the Bloomington Public Schools, county, state and federal sources, she said. In her presentation, Andrews said that more specialized assistance for those with mental illness and less fear of liability issues would save dramatically on financial and human quality-of-life costs.

Hennepin County District Judge Robert Blazer told the committee that in 1999, his county received 87 requests for court ordered Rule 20 exams to determine the offender's competency for proceeding with a case. He said there were a lot of undiagnosed mental health conditions evidenced in the courts. The courts, he said could do better in terms of being more responsive to parents. "It is really important to identify the needs of the individual before placement by the courts," he said. Many of the young people he sees have conduct disorders and learning disabilities, which require better diagnostic tools and treatment, according to Blazer.

Business executive Richard Quigley said the Surgeon General has described mental health as an issue of national crisis proportions. He said that while not wanting to blame insurance companies, there is often an attitude by insurer's that youth with mental health problems should be arrested in lieu of receiving insurance coverage. He said that insurance companies are fixated on cutting costs, which has a major impact on access to mental health treatment. "Children need treatment without court-ordered 'conduct disorder' rulings," he said.

## Jobs, Housing and Community Development

### Impacts of housing crisis discussed

The Jobs, Housing and Community Development Committee heard testimony on the impact of the affordable housing crisis Weds., Jan. 31. Sen. Ellen Anderson (DFL-St. Paul) chaired the committee.

Several people expressed concerns about children suffering from inadequate housing. Rev. Albert Callmon from the Minneapolis School Board, said, "Just as children have basic skill requirements in schools, they also have basic need requirements." The average stay in a homeless shelter by a child is 72 days; 2 years ago the average stay of a child was 3 to 6 days, suggesting that the decrease in affordable

housing has lead to more children living in shelters, he said. According to Callmon, kids who move more than three times before eighth grade are less likely to pass the basic skills tests on the first try. More than 800 children are bussed from shelters and hotels to Minneapolis schools each day in an effort to reduce child mobility, he said. Miranda Gilman, a working single mother with five children, described her struggle to protect her children's academic performance as she moved them between schools while looking for affordable housing. "It was hard to keep the kids' academics up," she said.

Kim Hustad, director of housing services at the Arrowhead Economic Opportunity Agency, said, "Homelessness is a rural issue as well as an urban issue." She said despite the recent economic prosperity, there are still three counties in the Arrowhead that have unemployment rates between six to seven percent. Most Arrowhead Minnesota Family Investment Program graduates, who complete Minnesota's welfare-to-work programs, only make about \$7 an hour and therefore can afford homes between \$30,000 and \$35,000, she said. The most affordable homes in the Northwest are those over 70 years old and require several costly repairs, Hustad said.

President of the Family Housing Fund, Tom Fulton, said that the organization conducted research on whether affordable housing developments eroded property values in areas surrounding them. He said that research was conducted on 12 Twin Cities neighborhoods with developments. "There is little or no evidence of negative impacts on property values near developments," Fulton said. In fact, he said, in some cases, evidence suggested that there was a positive correlation between affordable housing developments and property values. "Affordable housing projects are essential to communities and the economic vitality of the state," he said.

Executive Director of the Metropolitan Interfaith Coalition for Affordable Housing Joy Sorenson Navarre said the organization recommends using the inclusionary housing approach (IHA) and requiring that, in every new multi-unit housing development, developers must set aside units for affordable housing. She said the IHA creates mixed-income communities, prevents developing pockets of poverty, and meets affordable housing needs. Navarre said that cities could

exempt participating developments from regulations that raise housing costs, such as density restrictions or sewer access fees, as a bonus for developers that create affordable housing.

### Housing shortage addressed

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Weds., Feb. 7. The members heard an overview of the Office of the Legislative Auditor's (OLA) report on affordable housing and other testimony concerning the housing shortage.

Craig Helmstetter, OLA program evaluator, said the office's recently released report incorporated interviews with local housing experts, statistical housing data, and information gathered from an extensive survey of more than 100,000 developers, builders and local housing organizations.

He said that OLA research found that average rents had risen 11 percent in the past 12 years and the vacancy rate is currently 1.5 percent, well below the ideal 5 percent rate.

John Patterson, who also worked on the report, said that there was little consensus among those involved in producing and providing housing about the obstacles to making housing affordable and that opinions often depended on the respondents's roles in producing housing. "The affordable housing situation does not have a simple solution," he said. "We decided not to make legislative recommendations but to leave those value laden decisions to the legislature."

He also said the OLA found that the 1995 Livable Communities Act (LCA), a voluntary, incentive-based program administered by the Metropolitan Council to encouraged community development through affordable housing, was only marginally successful. He said the LCA provides insufficient subsidies, which may be as low as \$2,000, for affordable housing developments. He also said the LCA rewards participating developers regardless of whether they successfully create housing or not.

Jack Horner, a representative from the Minnesota Multi-Housing Association, said high tax rates for rental properties were the primary push behind the affordable housing shortage. "There is a perfect inverse correlation between vacancy rates and tax levels," he said. According to

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Horner, about 17 percent of rent goes to property taxes in Minnesota, whereas the national average is about 7 percent. In the current low vacancy rental market there is little incentive for landlords to share savings with renters, but eventually the reduced taxes would spark development and lower housing costs.

Kate Overson, project manager for the West Central Community Action Agency, described the production of stress panel homes in the Ottertail and Wadena area. She said that the agency had built 10 homes that sold for \$60,000 each. The homes were affordable because the land was donated by the communities where they were built and the labor was provided by prisoners, who were paid about \$1 per hour, she said. She also said that the prisoners participated in the program voluntarily and were given training that would help them find jobs in the construction industry after they served their sentences.

## Judiciary

### Child support reforms introduced

The Judiciary Family Law Subcommittee met Tues., Feb. 6, to hear an overview of recommendations for changing child support guidelines. The subcommittee is chaired by Sen. Leo Foley (DFL-Coon Rapids).

Professor Jo Beld gave testimony on behalf of a task force that has spent the last two years examining the issue of child support guidelines. She outlined the process used for reviewing the guidelines, the fundamental problems with the current system, and key aspects of the proposed solutions. She said the task force used a shared responsibility model to weigh input and research from widely varying interests. "We listened and we did our homework," she said.

Her summary report of the proposed changes describes the recommended process for determining child support. The process starts with gross income, accounts for the presence of other dependent children, and arrives at each parent's relative share of the income available for child support. It then uses the shares to assign obligations proportionally for basic care, child care, and medical care. The report's process uses consumer spending data to set the level of basic care and also includes mechanisms for handling cases with low-income obligors.

Beld said the one fundamental problem with the current guidelines is that they have not kept pace with changes in Minnesota families. She said that now, unlike when the guidelines were initiated, custodial parents also work outside the home and both parents spend time and money raising the children. She said another fundamental problem is that current guidelines are not based on an accounting of what parents actually spend on the basic needs of their children. She said that the task force's recommendation builds in a real, empirically based analysis of what it costs to raise children. In addition, the new guidelines make a more effective assessment of obligors' ability to pay and to "recognize the distinction between a dead-beat dad and a dead-broke dad," she said.

To highlight one aspect of the solutions recommended by the task force, Beld elaborated on the information used to determine the cost of raising children. She said the new guidelines use statistics compiled by the United States Department of Agriculture and adapted specifically for the state of Minnesota.

She said the figures in the basic support schedule combine all costs associated with raising children—including a portion of housing, food and transportation expenses—while building in a discount to account for the fact that the parents live in separate households. The discount, she said, makes the ordered payment less than it would be otherwise in order to account for the fact that obligors also spend out-of-pocket money on basic needs while they are with the children.

Foley and Sen. John Marty (DFL-Roseville) asked Beld to clarify how the guidelines account for children from other relationships in either home. Beld said the recommendations represent a compromise position between giving the original children first priority and treating all children equally. Foley, Marty and Sen. Thomas Neville (R-Northfield) highlighted cases when the income claimed by either the obligor or the obligee is questionable. Christa Anders of the Department of Human Services said the guidelines retain a judge's authority to impute income. Sen. Sheila Kiscaden (R-Rochester) said that the new guidelines seem to lower support orders for low-income obligors. Anders said that setting unrealistic support orders can influence obligors to pay nothing at all. Neville

asked how the guidelines account for the amount of time the obligor spends with the children. Anders said a new feature of the recommendations is that, in order to reduce conflict and litigation, the guidelines keep consideration of support entirely independent of the amount of time either parent spends with the children.

In a related report, Anders presented the recommendations of a workgroup that focused on the medical care component of child support. She highlighted the report's thorough delineation of what constitutes appropriate medical coverage for the children involved. She also said there are a significant number of child support families that do not qualify for public coverage but do not make enough to be able to afford private plans.

## State and Local Government Operations

### Appointees approved

Sen. Jim Vickerman, chair, convened the State and Local Government Operations Committee Thurs., Feb. 1, for confirmation hearings. The appointment of Julien Clark Carter was approved as commissioner of the Dept. of Employee Relations. Thomas Barrett's appointment as executive director of the Gambling Control Board was approved. The appointment of Frank Horstein was approved as the District 6 representative on the Metropolitan Council. Appointments to the Minnesota State Arts Board were approved for Lawrence Forrell, Russell Sharon and George Sutton. All of the appointments were sent to the floor for final confirmation.

### Metro ag preserves bill heard

The State and Local Government Operations Committee convened Tues., Feb. 6 and considered bills concerning metropolitan agricultural reserves, the Little Elk Heritage Preserve, and rising limits of competitive bid requirements for municipal improvements.

Sen. Michele Bachmann (R-Stillwater) authored S.F. 263, a bill that creates exemptions a residential density exception to the Metropolitan Agricultural Preserves law. She said a metropolitan agricultural preserve is land that has a residential density of no more than one residential building per 40 acre lot. She

said S.F. 263 changes that density to two residential buildings per 40 acre lot, so long as both units are owned by members of the same family. Sen. Myron Orfield (DFL-Mpls) said agricultural reserves have tax rates much lower than residential lands.

Bachmann said she authored the legislation on behalf of the Muckala family in her district. Kathy Muckala said that she wanted to build a home next to her mother's house, which was on an agricultural preserve. "We want to be close to our mother so she can continue living independently," she said. Muckala said that she had first tried to remove the land from the preserve program, which was designed to give favorable tax status to farmers in the Metropolitan Area, by speaking to a variety of local authorities. However, she said, there were only three ways of getting off the program, by filing a request to remove land from the program and wait eight years, rezoning the land and waiting eight years, or having the governor declare a state of emergency.

Orfield said that Bachmann's bill was too general and offered an amendment that narrows the scope of the bill only to the Muckala family's plot of land. The amendment was adopted.

Sen. Don Betzold (DFL-Fridley) said, "Whether this bill is good policy or not, we need to ask if it is really a tax question." He recommended that the bill be referred to the Tax Committee and the committee adopted the motion.

The committee also considered S.F. 405, authored by Sen. Don Samuelson (DFL-Brainerd). The bill places the Little Elk Heritage Preserve in Morrison County on the list of historic places and appropriates \$300,000 to the Institute for Minnesota Archeology for site research and preservation, economic and infrastructure development, outreach and educational programming.

Samuelson said, "The history of the Little Elk Heritage Preserve goes back virtually hundreds of thousands of years." Douglas Birk, senior archaeologist at the Institute for Minnesota Archeology, said that there is evidence that humans had lived on the site before the formation of the Mississippi River, more than 8,000 years ago. He said ceramics dating back to 600 A.D. had been found on the 90 acre site and it was the location of an important mission as well as an early water mill factory."I've been doing archeology for

years," he said. "I've never seen a piece of property like this."

Beth Nodland, executive director of the Institute for American Archeology, said that placing the site on the registry of historical places gives the Minnesota Historical Society jurisdiction over any changes to the property. She said that the \$300,000 appropriation allows the Institute for Minnesota Archeology to lay the minimal ground work for public facilities on the site. Currently, the preserve has no toilets, paved road ways, or parking lots, she said. Once the infrastructure is in place, the institute would be able to accommodate more visitors and secure grant money from a greater number of organizations, said Nodland.

S.F. 405 was approved and re-referred to the Finance Committee.

Sen. Jim Vickerman (DFL-Tracy), chair of the committee, sponsored S.F. 376. The bill requires competitive bidding for all improvements in excess of \$35,000 for municipalities of less than 2,500 and \$50,000 for all others, and requires competitive bidding for day labor from \$10,000 to \$25,000, he said.

Remi Stone, League of Minnesota Cities intergovernmental relations representative, said that the limits should have been raised last year with other municipal bidding reforms but had not been changed due to oversights.

Vickerman said that the new requirements were necessary because of rising costs of improvements. "In simple terms," he said, "you don't get an awful lot done with the old figures."

The committee approved the bill and recommended it be placed on the consent calendar.

## State Government, Economic Development and the Judiciary Budget Division

### Military affairs budget presented

Sen. Richard Cohen (DFL-St. Paul) convened a meeting of the State Government, Economic Development and the Judiciary Budget Division Thurs., Feb. 1, to continue hearing budget requests. Representatives of the Department of Military Affairs (the Minnesota National Guard) and the State Board of Investment were present to give testimony.

Colonel Dennis Lord of the National Guard said the appropriation request for the department totals nearly \$27.2 million for the biennium. He said the state funds will account for less than a quarter of the department's total expenses since the majority of funding comes from federal sources. The request includes base line funding for maintenance of facilities, recruitment incentives, general support and emergency services. It also includes an increase for lease costs associated with a new facility in Mankato, an increase in tuition reimbursement, and a one-time appropriation to cover special assessments owed to local governments.

The budget request shows the majority of the funding, nearly \$14.4 million, going toward maintenance of facilities including Camp Ripley, existing training and community centers (armories), and the air bases in Duluth and the Twin Cities. Dick Post, director of public works for the department, said that aging facilities are increasing maintenance costs and creating a backlog of maintenance and repair work to be done.

Regarding tuition reimbursement, Lord said that the Legislature increased the per-student amount to 75 percent of the University of Minnesota (Twin Cities campus) tuition rates, but that actual reimbursement has been less than that due to limited funding for the program. In order to reach the 75 percent level and remain competitive with the National Guard programs of other states, he said the budget request this year includes an increase of more than \$4 million for the biennium.

Cohen pointed to non-education-related bonuses that have been part of incentive programs in the past and asked if they would be targeted with the increased funding. Lord said the sole intention of the increase was to fund tuition reimbursement.

The general support portion of the budget request totals nearly \$3.9 million for administrative services, auxiliary services, and STARBASE, an educational program for at-risk youth from grades 2 through 12. Cohen asked if there are any plans to expand the program beyond the Metropolitan Area. Lieutenant Colonel Dennis Shields of STARBASE emphasized that the program is funded entirely with federal money and added that even with an increase, it would continue to focus on serving youth in the Twin Cities.

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The smallest portion of the budget, emergency services, comprises a total of \$150,000 for the biennium.

Howard Bicker of the State Board of Investment presented a budget request for base level funding with an increase of \$100,000 for the biennium to cover increased rent in what will be the agency's new office. Bicker highlighted that approximately 90 percent of the agency's appropriation is billed back for investment services. He said that, at the end of FY 00, the agency was responsible for the management of state assets worth \$53.2 billion.

## Humanities and arts budgets heard

The State Government, Economic Development and the Judiciary Budget Division met Weds., Feb 7, to hear budget presentations by the Minnesota Humanities Commission and the Minnesota State Arts Board. Sen. Richard Cohen (DFL-St. Paul), chair of the division, presided.

W. Andrew Boss and Cheryl Dickson presented an overview of the Humanities Commission's mission and programs and requested the base line budget of less than \$1.9 million. Cohen asked Dickson to clarify the commission's budget request from two years ago; she said an increase approved by the Legislature had been vetoed by the governor. Cohen asked what the commission would do if that increase were passed this time and Dickson said the lion's share would go toward local grants. The budget request shows that the commission makes about 140 grants annually with an average amount of about \$2500. Several grant recipients addressed the committee to highlight some activities supported by the grants, including a family literacy initiative in the Hmong community, a commercial fishing museum on the North Shore, professional development seminars for language arts teachers, and a documentary on church buildings in rural Minnesota.

The goals, accomplishments and budget of the Arts Board were presented by Executive Director Robert Booker and Chair Lois West Duffy, with additional testimony by supporters from around the state. Booker said arts funding has a positive impact on economic development, tourism, and community livability. He summarized the areas that the board emphasizes, including support for major institutions as well as individual artists, programs to bring art to schools and to every community in the state, and pro-

grams to preserve folk art traditions and create public art. He said that, in every aspect, grant requests far outpace the board's available funds; support for institutions, for example, falls short of requests by more than \$5 million. Representatives of the Arrowhead Regional Arts Council, the Center for the Arts in Fergus Falls, the Metropolitan Regional Arts Council and the Children's Theatre Company gave testimony in support of state arts board funding. The board's budget request aligns with the governor's recommendation of \$26.26 million for the biennium.

## Income and Sales Tax Budget Division

### Eagle Lake area tax concerns heard

The Income and Sales Tax Budget Division met in Eagle Lake on Thurs., Feb. 1. Sen. Don Betzold (DFL-Fridley) presided.

The committee heard several testimonies concerning the impact of the governor's proposed tax reforms on Eagle Lake and Mankato area schools and non-profit organizations.

Brad Toft, executive director of Mankato YMCA, expressed his disapproval of the governor's recommended tax on YMCA memberships. He said that the YMCA should not be considered a health club because its gym facilities are only one of the many parts of the organization.

Mike Leven, president of the Mankato City Council, testified about the need for tax equity for greater Minnesota and increased funding for transportation.

Dr. Jim Schmitt, superintendent of the Waseca school district, and Kathy Brynart, school board member, expressed concern over the governor's property tax reform and funding for public schools.

## Property Tax Budget Division

### Reform proposal responses heard

The Property Tax Budget Division met Weds., Feb. 7, to hear responses to the governor's proposed tax reform plan. In a hearing shortened by weather concerns, the division heard testimony primarily from city associations and non-profit organiza-

Tim Flaherty, representing the Coalition of Greater Minnesota Cities (CGMC), testified that his organization had identified three major problems with the governor's tax plan. First, the state takeover of the general education levy is flawed, Flaherty said. The main concern with the takeover is based on a mistaken assumption in the governor's plan, he said. The current general education revenue from property tax levies isn't really the state education levy, Flaherty said. Rather, education is funded from a multitude of sources. With the governor's plan in place, he said, levies across the state will be enacted by local referenda to compensate for lost funding. Also, the property tax relief that the proposal offers, Flaherty said, is uneven and will create greater disparities between cities and school districts. After Sen. Kenric Scheevel (R-Preston) asked him if it wouldn't make sense for the state to provide an equal platform of funding for each student in Minnesota, Flaherty said that the net change in taxation—after eliminating both the Homestead Agricultural Credit Aid for cities and the general education levy—would harm many cities, especially in Greater Minnesota. The disparities in the state, which the proposal should reduce, would in fact be exacerbated, he said.

CGMC's second concern with the proposal, Flaherty said, was that the class rate compression built into the governor's proposal increases disparities between cities while reducing them between classes of property. Also, he said, as the property tax burden is shifted from businesses to homes, single-family residential property taxes will accelerate.

The final problem with the governor's plan, according to Flaherty, was in local government aid. The formula proposed treats all cities as if they were identical, which is neither true nor fair, he said. The "needs" identified in the plan, Flaherty noted, are limited to basic services and do not include facilities like airports, hospitals and libraries. In Greater Minnesota, he said, some of those services are definite needs for cities. The plan, Flaherty said, also uses averages to compute aid to suburbs and Greater Minnesota cities. However, averages drastically under compensate some communities and overcompensate others, he said.

Keith Carlson of the Metropolitan Inter-County Association complimented the governor on the boldness of the



proposal and said, “Local governments welcome that state government is recognizing the ridiculousness of one level of government taxing another.” However, he said, his organization had also identified a few concerns with the proposed reform. First, the dramatic shift in the tax burden away from businesses to residential property is initially offset by the education levy takeover and other devices, he said. However, those devices will no longer have an effect in the future, Carlson said. He also said that the increased tax burden will be felt primarily in the cities and that surrounding townships, which already enjoy relatively low taxes, will benefit even more from the proposal. Carlson said that the proposal also isolates some homeowners, especially those at the lower end of the market value range, from the rising cost of government services. Finally, Carlson identified several areas where the state had been taking over services previously administered by local governments—including courts and developmentally disabled services—that would remain in mid-takeover under the governor’s proposal. Thus, some areas would be paying for those services themselves and others would have those services funded by the state, a situation that Carlson called unfair.

Dan Salomone, executive director of the Minnesota Taxpayers Association, said that the proposal offers “a great opportunity to fix things we’ve been dealing with for years.” However, he urged greater class rate compression and a clearer definition between state and local responsibilities. Such definition, Salomone said, allows local property taxes to fund purely local services.

Representing the Senior Federation, Marlowe Hamerstein testified that the reform proposal is not real reform. Rather, he said, it is a band-aid approach. The entire property tax system needs replacement, Hamerstein said. “We are working off the outmoded assumption that the value of one’s property has an effect on the ability of the property owner to pay the property tax,” he said. Some Minnesotans, he said, pay between 10 and 30 percent of their incomes in property taxes. Hamerstein said that a fair tax system would be based on income and ability to pay. Sen. William Belanger (R-Bloomington) asked if Hamerstein knew of any states that use a property tax system based on anything other than market value

and Hamerstein replied that Maryland might use an income-based format for its property tax, but that he saw nothing wrong with being the first state to move away from market value. Scheevel asked if Hamerstein proposed that all taxes should be based on the ability to pay and if so, should the gas tax be prorated. Hamerstein said that all taxes should be based on the ability to pay, but that the gas tax was primarily a use tax.

Catherine Jordan, executive director of Greater Minneapolis Girl Scouts, informed the division of the impact that a provision, to allow cities to impose a fee in lieu of taxes on non-profit organizations, would have on the Girl Scouts. Her organization, which includes over 28,000 members of all ages, owns and operates several camps across the state. Under the current system, they pay no property tax on those facilities. However, the governor’s proposal allows cities to choose to levy a public safety fee. Dept. of Revenue Commissioner Matthew Smith clarified that the fee would be calculated based upon the market value of the property, the class rate and the percentage of the city’s total tax rate that goes to public safety funding. Public safety services, he added, use the definition already implemented by the State Auditor. If the proposal passed with the section intact, Belanger said, then non-profits would have to fight with city councils across the state to avoid diverting funds they currently use for their normal activities to pay the public safety fee.

## Telecommunications, Energy and Utilities

### Industry overviewed

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Feb. 1, to hear overviews from Minnesota’s primary telecommunications providers.

Jerry Knickerbocker spoke on behalf of the Minnesota Telephone Association, a long-established entity, which he described as a trade association for the regional telecom industry. He said the industry was just emerging from a period of transition and is currently trying to equalize the discrepancies between wireline (regulated) and wireless providers (unregulated).

Following Knickerbocker’s brief summary of telecom provider structure and

carrier networks, Executive Director Randy Young, representing the Minnesota Association of Rural Telecommunications, spoke about small local exchange services. He said the deployment of Digital Subscriber Lines (DSLs), which allow Internet access, had gone more slowly than anticipated. Weather and other factors accounted for delayed progress. Also, he said, rural customers were not subscribing at projected levels. According to Young, small rural providers were unsure of what might happen in the regulatory environment, a factor affecting investment practices.

Qwest Vice President John Stanoch provided an overview of the company’s scope in terms of infrastructure, services, geographic territories and investments. He said that since acquiring US West, an incumbent local telephone company, Qwest is restricted from offering long-distance voice or data service until the company proves to regulators that its local markets are open to competitors. Stanoch said the company dropped nearly 40 lawsuits, filed by US West, that slowed the implementation of competition across the region. Qwest is currently working with state regulators and the Federal Communications Commission (FCC) to negotiate re-entry into long distance service.

Company-specific overviews were also provided by Dee Ryberg from ATT Wireless, Jason Hepp and Dan Lipschultz, McLeod USA. Long distance providers were represented by Teresa Lynch, ATT; and Victor Dobras, Sprint. Mike Martin and Jim Erickson spoke briefly on behalf of the Minnesota Cable Communications Association.

## Transportation

### Midwest regional rail plan heard

Director Mukhtar Thakur of MNDOT’s Office of Passenger Rail Transit presented an overview of the Midwest Regional Railroad Initiative (MWRRI) to the Transportation Committee Thurs., Feb. 1. Committee Chair Sen. Randy Kelly (DFL-St. Paul) presided.

Thakur said the regional passenger rail service would be a “hub-and-spoke” system providing 110 mph through-service between major cities with connections in Chicago. The initiative involves a partnership between nine states: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin.

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Also involved in the partnership are the Federal Railroad Administration and Amtrak, he said. The plan proposes to cover more than 3,000 miles and serve a population of more than 60 million, said Thakur. He also said the entire system is scheduled to be operational by 2010 with a passenger rate of 9.6 million per year.

One possible funding source for MWRRRI, said Thakur, is the High Speed Rail Investment Act, which authorizes Amtrak to sell \$10 billion in high-speed rail bonds between FY 2001 and FY 2010. Congress intends to seriously consider this act, formerly known as the Lautenberg bill, early this session, he said. Other possible funding sources are the Transportation Infrastructure Finance Investment Act (TIFIA) and additional funding from state joint development proceeds, he said.

The Minnesota system would use existing right-of-way commuter passenger rail along the river with through-stations in Winona, Red Wing and St. Paul, Thakur said. Sen. Claire Robling (R-Prior Lake) asked if the Burlington Northern/Santa Fe Railroad (BN/SF) has agreed to allow the MWRRRI track usage. She said this decision is pivotal for the project. He said railroad representatives have indicated their willingness to negotiate and that the BN/SF also stands to gain from the project. He said railroad personnel are likely to become operators of the system in Minnesota. Additionally, he said that while the BN/SF will be giving up some track time in the morning and evening, they also stand to gain some additional tracks for the system. Thakur said they are working with MNDOT toward an agreement.

Thakur said Minnesota's estimated improvement capital costs will be \$227 million (in 1998 dollars). There will be 6 trains per day in and out of Chicago in addition to the "Empire Builder," he said, and 3 million riders are expected to travel the Twin Cities to Chicago corridor per year. Travel time will be approximately 5 hours and 45 minutes and fares will be comparable to air fares for the same trip, he said.

A \$115 million state appropriation is needed this year to keep the northwest corridor of the project on track for federal matching funds, said Thakur. Wisconsin, he said, is the only state that has appropriated funding for the project thus far. The Central and Red Rock corridors could be affected by the system, he said, because it has the potential to maximize investments

and cost savings potential by using common rail segments. He also said there is the potential of using the St. Paul Union Depot as a local hub.

There are four key outstanding issues relating to the initiative, said Thakur. First, there are no Minnesota funding commitments for the project and no organizational framework for multi-state distribution of resources and responsibility, Thakur said. Further, he said, the planning level and capital costs are in 1998 dollars, and operating cost clarity is needed. The system is expected to be self-sustaining in six to seven years through fare box collections but prior to that time another source needs to be found, he said.

Representatives from several organizations interested in public transit gave testimony requesting funding for either expansion of present transit services or new services, such as transit rail. Sam Grabaski, president and CEO of the Minneapolis Downtown Council, said, "The future of the economy is dependent on a modern transportation system." He also said that quality of life is very important for business to sustain good employees.

The council wants to see the present bus system improved by expanding service hours, which would enable stores to have longer and more dependable hours, Grabaski said. In addition, he said, the council would also like to see a regional competitive strategy that would result in rail system proposals. "We are big supporters of light rail and don't favor property taxes as a funding method," he said. He said the council believes a dedicated multi-modal transportation fund is needed.

## Panel hears three bills

Three bills were heard by the Transportation Committee Tues., Feb. 6. Chair Randy Kelly (DFL-St. Paul) called the meeting to order and introduced Sen. Roger Moe (DFL-Erskine).

Moe presented S.F. 174, a bill that adds carrots to the list of farm products that may be transported in a vehicle that exceeds statutory gross weight limits by 10 percent. This exception, said Moe, would run from the beginning of harvest to November 30 and encompasses 75 miles from the field of harvest to the point of first unloading. He said that the bill allows farmers some flexibility. The scope of the proposal is very limited, he said, applicable to just a few growers.

Sen. Dean Johnson (DFL-Willmar)

said, "I support the bill but it raises a question of a larger magnitude." He said that other farmers could request weight exemptions for a multitude of other crops. Kelly asked if Moe knew what the damage to roads would be due to the overweight trucks. Moe said he wasn't certain but Johnson said, "I think the damage due to overweight loads is minimal compared to trucks in general."

Testimony was given by Bruce Kleven, Minnesota Sugar Beet Growers/Minnesota Potato Growers, who was also asked to represent carrot growers. He said the request for the addition of carrots to the bill came via a letter from Alex Bishop of Bishop Farms. Bishop said, "The 10 percent increase would allow my operation to load carrots with a more reasonable expectation of meeting weight requirements and to run the operation more efficiently by hauling more produce in less loads."

Carol Lovro, Association of Minnesota Cities, said she opposes the exemption because the cost to preserve the road system is already high. She said counties are allowed to grant variances. "I think this is a local decision and if it has a significant local impact, they could grant one," she said. The bill was approved and sent to the floor.

Sen. Charles Berg (R-Chokio) authored S.F. 108, a bill that allows for an exemption of certain snow plow trucks from registration taxes and title requirements. He said the amendment only pertains to trucks with snow plows that are used exclusively during winter months for snow removal and then stored in a garage for the remainder of the year.

Testimony was given by Roger Luisberg, a business owner and operator of snow plow trucks. He said that he provides snow removal service with plow trucks on roads in rural areas. The trucks, he said, perform the same service as do the road graders used by cities and counties, which don't require registration taxes and title requirements. He said to operate road graders at a proficient level requires up to five years of training by operators, whereas a plow truck takes little training. Once you put a license plate on the truck, he said, you have many more requirements to adhere to under law. Department of Public Safety Title Registration Supervisor Larry Ollila said that titles are a document of ownership and help to maintain security interests. Berg asked if the committee

could rewrite the bill to exempt snow plow truck owners from license fees. An amendment was adopted that exempts specified snow plow trucks from registration. The bill was approved and referred to the Finance Committee.

The committee adjourned to tour the Central Office of Driver and Vehicle Services at the Midway Station.

## Transportation and Public Safety Budget Division

### Panel hears transportation budget

The governor's proposed budget for MNDOT was heard Thurs., Feb. 1, by the Transportation and Public Safety Budget Division. Chair Dean Johnson (DFL-Willmar) called the meeting to order. He introduced Deputy Commissioner Doug Weiszhaar and Chief Financial Officer Kevin Gray, who gave a brief overview of the budget. Gray said that investments were based on the business plan "Moving Minnesota." The strategic plan for transportation, he said, is to have a multi-modal approach. He said that the philosophy that drove the budget preparation was to treat the department and budget as a "business—not a bureaucracy." He said, "This budget does support the governor's philosophy."

Gray said the federal government, state dedicated funds, and non-dedicated funds or general funds are MNDOT's funding sources. He also said that the department participated in the challenge pool, which requires each department to decrease its budget by two percent. Once accomplished, the departments involved are entitled to participate in change item decisions. The intent of challenge pool is to shift funding of lower priority projects to higher priority initiatives, he said.

Overall, the governor recommends appropriations in the trunk highway fund of \$95.6 million for highway construction and building projects of \$6.8 million. There are also non-construction increases of \$42.0 million and non-construction decreases of \$30 million. In addition, he proposes funding \$2.5 million for state airports and \$4.1 million for the general support program.

### Budget overview heard

Chair Sen. Dean Johnson (DFL-Willmar) called the Transportation and Public Safety Budget Division to order

Mon., Feb. 5, for the purpose of continuing the MNDOT budget overview. The budgets for local roads, local bridges, state roads, general support and buildings were presented by Department of Transportation representatives.

Julie Skalman, state aid engineer/director, said the governor's biennial budget for FY 02-03 calls for an appropriation of \$1.3 billion for local roads. She said that this represents an increase of 10.8 percent over last biennium. Additionally, she said, there is an appropriation of \$30 million through the capital investment budget for local bridges.

Several representatives of MNDOT presented aspects of the budget for state roads. The aggregate amount budgeted for state roads in this biennium is \$2 billion which is a 13.4 percent decrease over last biennium, she said.

The last activity covered in the transportation department budget was buildings. Office of Maintenance Director Mark Wikelius summed up the total budget for buildings by saying that the governor recommends a 76.7 percent decrease this biennium. Last biennium, he said, the budget was set at \$33.2 million and this biennium the figure is \$7.7 million, a difference of \$25.5 million. He said the governor recommends the \$7.7 million as a one-time appropriation for building projects. About \$6.8 million of that appropriation is derived from the trunk highway fund and \$900,000 is from the special revenue fund to finance an addition to the Eagan driver exam station, he said. Since the driver exam station addition supports the Department of Public Safety's Driver and Vehicle Services, he said, the governor recommends funding from drivers license fee revenue. In the Department of Public Safety's budget, he said, the governor recommends that drivers license fees be transferred from the trunk highway fund to the special revenue fund.

### Budget overview heard

The Transportation and Public Safety Budget Division heard MNDOT's budget overview of electronic communications, general support, buildings and commuter rail in a meeting on Tues., Feb. 6. Chair Sen. Dean Johnson (DFL-Willmar) called the meeting to order and introduced MNDOT Office of Electronic Communications Director Andy Terry.

Terry said there are opportunities for the department to share communication systems with other state agencies and that the department is open to expanding the number of partners the department is already working with toward that end. He said a study is being done on shared public safety communication systems.

The electronic communications program budget was presented by Terry and he outlined a change item in which he said, "The governor recommends an increase of \$125,000 for the activity that performs all the underground locates of MNDOT infrastructure on right of ways that are required by Gopher State One Call." Also proposed, he said, "is a \$100,000 appropriation each fiscal year to manage the deployment of transportation operation communication centers.

Linda Bjornberg, group director of MNDOT's Management Operation Group reviewed the general support budget. She said there is an 8.5 percent budget increase over last biennium for general support. Last biennium, she said, the budget was \$118 million and this biennium the recommendation is for \$128 million.

Bjornberg presented two change items in the general support budget. She said, "The governor recommends a biennial appropriation of \$13.2 million for improvements and expansion of information systems technology infrastructure." The final change order, she said, is for a \$4 million biennial appropriation for information systems technology development of new business applications.

Cecil Selness, director of modal operations, outlined the governor's budget proposal for the commuter rail transit program. He said that the total budget calls for \$283 million, \$20 million of which is for light rail transit (LRT) connection costs. Under the plan, the state will be obligated to pay for 40 percent of the commuter rail connection and 50 percent for connection to LRT, he said. This translates to \$105 million and \$10 million, respectively, he said. The governor, he said, recommends \$115 million in general obligation bonding for the project.

Office of Maintenance Director Mike Wikelius completed the buildings program budget overview with the presentation of one change item. He said that the governor recommends an increase of \$875,000 each year to support highway signal and lighting maintenance activities.

# Committee roster

## Agriculture, General Legislation and Veterans Affairs Committee

**Chair:** Murphy                      **Vice Chair:** Ring  
**Office:** 306 Capitol              **Phone:** (651) 296-7405  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 12

Berg	Fischbach	Lourey	Vickerman
Dille	Johnson, D.E.	Sams	
Fowler	Lesewski	Scheevel	

## Higher Education Budget Division

**Chair:** Wiener                      **Vice Chair:** Kinkel  
**Office:** 303 Capitol              **Phone:** (651) 297 -8073  
**Meets:** Mon., Weds., 1 - 3:45 p.m. Room 107 Capitol  
**Members:** 17

Cohen	Kleis	Murphy	Scheid
Fowler	Larson	Pogemiller	Solon
Kelley, S.P.	Lesewski	Price	Terwilliger
Kierlin	Limmer	Robling	

## Capital Investment Committee

**Chair:** Langseth                      **Vice Chair:** Wiger  
**Office:** 122 Capitol              **Phone:** (651) 296-9612  
**Meets:** Tues., Thurs., 1 - 3:45 p.m., 123 Capitol  
**Members:** 13

Bachmann	Dille	Kiscaden	Samuelson
Berglin	Johnson, Douglas	Larson	Wiener
Cohen	Kierlin	Price	

## Environment and Natural Resources Committee

**Chair:** Krentz                      **Vice Chair:** Tomassoni  
**Office:** 111 Capitol              **Phone:** (651) 296-1113  
**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 18

Anderson	Higgins	Olson	Ring
Berg	Kinkel	Pariseau	Stevens
Dille	Knutson	Pogemiller	Stumpf
Frederickson	Lessard	Price	Vickerman

## Commerce Committee

**Chair:** Solon                      **Vice Chair:** Scheid  
**Office:** 303 Capitol              **Phone:** (651) 296-5776  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 112 Capitol  
**Members:** 14

Belanger	Larson	Metzen	Reiter
Hottinger	Lessard	Oliver	Samuelson
Kierlin	Marty	Pappas	Wiener

## Finance Committee

**Chair:** Johnson, Douglas              **Vice Chair:** Johnson, D.H.  
**Office:** 205 Capitol              **Phone:** (651) 296-8881  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 123 Capitol  
**Members:** 37

Anderson	Johnson, D.E.	Metzen	Sabo
Berg	Kelly, R.C.	Neuville	Sams
Berglin	Kiscaden	Ourada	Solon
Chaudhary	Kleis	Pariseau	Stevens
Cohen	Knutson	Price	Terwilliger
Day	Krentz	Ranum	Vickerman
Dille	Langseth	Ring	Wiener
Frederickson	Larson	Robertson	Wiger
Higgins	Lourey	Robling	

## Crime Prevention Committee

**Chair:** Ranum                      **Vice Chair:** Foley  
**Office:** 120 Capitol              **Phone:** (651) 296-4842  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 15 Capitol  
**Members:** 12

Berglin	Kelly, R.C.	Limmer	Schwab
Betzold	Kleis	Olson	
Chaudhary	Krentz	Neuville	

## Environment and Agriculture Budget Division

**Chair:** Price  
**Office:** 235 Capitol              **Phone:** (651) 296-4167  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 125 Capitol  
**Members:** 10

Berg	Higgins	Pariseau
Dille	Johnson, Douglas	Ring
Frederickson	Krentz	Wiger

## Education Committee

**Chair:** Pappas                      **Vice Chair:** Lourey  
**Office:** 120 Capitol              **Phone:** (651) 296-1802  
**Meets:** Mon., Weds., 1 - 3:45 p.m., 123 Capitol  
**Members:** 35

Bachmann	Knutson	Pogemiller	Scheid
Chaudhary	Krentz	Price	Schwab
Cohen	Langseth	Ranum	Solon
Fowler	Larson	Rest	Stumpf
Johnson, Debbie	Lesewski	Robertson	Terwilliger
Kelley, S.P.	Limmer	Robling	Tomassoni
Kierlin	Murphy	Sabo	Wiener
Kinkel	Olson	Scheevel	Wiger
Kleis			

## Health, Human Services and Corrections Budget Division

**Chair:** Berglin  
**Office:** 309 Capitol              **Phone:** (651) 296-4151  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 123 Capitol  
**Members:** 8

Kiscaden	Ranum	Wiener
Lourey	Sams	
Neuville	Stevens	

## State Government, Economic Development and the Judiciary Budget Division

**Chair:** Cohen  
**Office:** 317 Capitol              **Phone:** (651) 296-5308  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 107 Capitol  
**Members:** 10

Anderson	Knutson	Robertson
Johnson, D.H.	Larson	Solon
Kleis	Metzen	Vickerman

## E-12 Education Budget Division

**Chair:** Stumpf                      **Vice Chair:** Rest  
**Office:** G-24 Capitol              **Phone:** (651) 296-8660  
**Meets:** Mon., Weds., 1 - 3: 45 p.m. Room 112 Capitol  
**Members:** 18

Bachmann	Knutson	Pappas	Scheevel
Chaudhary	Langseth	Ranum	Schwab
Johnson, Debbie	Lourey	Robertson	Tomassoni
Krentz	Olson	Sabo	Wiger

**Transportation and Public Safety Budget Division****Chair:** Johnson, D.E.**Office:** 124 Capitol **Phone:** (651) 296-1738**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 112 Capitol**Members:** 9

Chaudhary	Kelly, R.C.	Ourada	Sabo
Day	Langseth	Robling	Terwilliger

**Health and Family Security Committee****Chair:** Sams**Vice Chair:** Higgins**Office:** 328 Capitol **Phone:** (651) 296-1323**Meets:** Mon., Weds., 1 - 3:45 p.m., 15 Capitol**Members:** 11

Berglin	Hottinger	Pariseau
Fischbach	Kiscaden	Ring
Foley	Lourey	Stevens

**Jobs, Housing and Community Development Committee****Chair:** Anderson**Vice Chair:** Sabo**Office:** 120 Capitol **Phone:** (651) 296-1767**Meets:** Weds., Fri., 9 a.m. - 12 noon, 123 Capitol**Members:** 14

Bachmann	Johnson, D.H.	Knutson	Robertson
Frederickson	Johnson, Debbie	Moe, R.D.	Terwilliger
Higgins	Johnson, Douglas	Orfield	Wiger

**Judiciary Committee****Chair:** Marty**Vice Chair:** Foley**Office:** 325 Capitol **Phone:** (651) 296-5712**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 15 Capitol**Members:** 10

Betzold	Fischbach	Limmer	Orfield
Cohen	Kiscaden	Neuville	Ranum

**Rules and Administration Committee****Chair:** Moe, R.D.**Vice Chair:** Hottinger**Office:** 208 Capitol **Phone:** 296-2577**Meets:** On call (Mon., 8 a.m. - 12 noon; Fri., 1 - 3:45 p.m.), 107 Capitol**Members:** 23

Belanger	Johnson, D.E.	Olson	Solon
Berg	Johnson, Douglas	Pappas	Stumpf
Berglin	Langseth	Pariseau	Vickerman
Cohen	Larson	Pogemiller	
Day	Marty	Ranum	
Frederickson	Metzen	Samuelson	

**State and Local Government Operations Committee****Chair:** Vickerman**Vice Chair:** Orfield**Office:** 226 Capitol **Phone:** (651) 296-4150**Meets:** Tues., Thurs., 1 - 3:45 p.m., 107 Capitol**Members:** 13

Betzold	Pogemiller	Robertson	Stevens
Day	Reiter	Robling	Stumpf
Fowler	Rest	Solon	

**Tax Committee****Chair:** Pogemiller**Vice Chair:** Fowler**Office:** 235 Capitol**Phone:** (651) 296-7809**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 15 Capitol**Members:** 30

Bachmann	Kelley, S.P.	Moe, R.D.	Rest
Belanger	Kierlin	Murphy	Samuelson
Betzold	Kinkel	Oliver	Scheevel
Fischbach	Lesewski	Olson	Scheid
Foley	Lessard	Orfield	Schwab
Hottinger	Limmer	Pappas	Stumpf
Johnson, Debbie	Marty	Reiter	Tomassoni

**Income and Sales Tax Budget Division****Chair:** Betzold**Office:** G-9 Capitol**Phone:** (651) 296-4147**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 318 Capitol**Members:** 13

Fowler	Kinkel	Marty	Reiter
Fischbach	Lessard	Murphy	Schwab
Kierlin	Limmer	Orfield	Tomassoni

**Property Tax Budget Division****Chair:** Samuelson**Office:** 120 Capitol**Phone:** (651) 296-4875**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 15 Capitol**Members:** 17

Bachmann	Johnson, Debbie	Oliver	Rest
Belanger	Kelley, S.P.	Olson	Scheevel
Foley	Lesewski	Pappas	Scheid
Hottinger	Moe, R.D.	Pogemiller	Stumpf

**Telecommunications, Energy and Utilities Committee****Chair:** Metzen**Vice Chair:** Kelley, S.P.**Office:** 322 Capitol**Phone:** (651) 296-4175**Meets:** Tues., Thurs., 1 - 3:45 p.m., 15 Capitol**Members:** 16

Anderson	Kinkel	Oliver	Scheevel
Frederickson	Lesewski	Ourada	Tomassoni
Johnson, D.H.	Lessard	Pariseau	
Kelly, R.C.	Marty	Sams	

**Transportation Committee****Chair:** Kelly, R.C.**Vice Chair:** Chaudhary**Office:** 323 Capitol**Phone:** (651) 296-5285**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 112 Capitol**Members:** 18

Belanger	Johnson, Debbie	Ourada	Sabo
Day	Langseth	Pappas	Samuelson
Johnson, D.H.	Metzen	Reiter	Schwab
Johnson, D.E.	Murphy	Robling	Terwilliger

# Preview

Monday, February 12

## Children's Environmental Health Working Group

Co-Chairs: Sen. Jane Krentz and Rep. Tingelstad

8:15 a.m. Room 123 Capitol

**Agenda:** Analysis of data regarding the environmental triggers of asthma, Marian Marbury, Department of Health. Department of Health report on the comparative risks of multiple chemical exposures, Pam Shubat. "Danger in the Air," Sierra Club report on particulates and air toxics in Minnesota.

## Legislative Audit Commission

Chair: Rep. Dan McElroy

9 a.m. Room 125 Capitol

**Agenda:** Release and review of Program Evaluation Report on Insurance for Behavioral Health Care.

The Senate will be in session at 11:30 a.m.

## E - 12 Education Budget Division

Chair: Sen. LeRoy Stumpf

1 p.m. Room 112 Capitol

**Agenda:** Continuation of early childhood overview.

## Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 410-Higgins: Providing for certain disclosures and training for care of alzheimer's patients. S.F. 414-Hottinger: Modifying the Minnesota Utilization Act. S.F. 417-Lesewski: Providing an exemption to some nursing home assistants from disqualification. S.F. 456-Berglin: Allowing mental retardation and related conditions waivers in intermediate care facilities. S.F. 461-Lesewski: Changing responsibility for assessing and investigating certain allegations of maltreatment. S.F. 493-Sams: Requiring the state to reimburse counties for detoxification services. S.F. 559-Sams: Modifying the definition of gross income for MinnesotaCare.

## Higher Education Budget Division

Chair: Sen. Deanna Wiener

1 p.m. Room 107 Capitol

**Agenda:** Presentation of University of Minnesota budget request by Mark G. Yudof, president.

## Education Committee

Chair: Sen. Sandra Pappas

3 p.m. Room 123 Capitol

**Agenda:** S.F. 3-Wiger: Prohibiting enrollment in fourth grade for students unable to read by the end of third grade; S.F. 192-Ring: Establishing a mighty books grant program; S.F. 356-Ranum: Ensuring all students are able to read by the end of the second grade; S.F. XXX-Scheevel: Reading skills enhancement proposal; Cheryl Dickson, Minnesota Humanities Commission; Bob DeBoer, Minnesota Learning Resource Center; Barbara Taylor, University of Minnesota.

## Jobs, Housing and Community Development Committee

Chair: Sen. Ellen Anderson

6:15 p.m. Meet in front of Capitol

**Agenda:** Tour of homeless shelters and safe waiting spaces.

## Tuesday, February 13

### Judiciary Subcommittee on Data Privacy and Information Policy

Chair: Sen. Don Betzold

9 a.m. Room 15 Capitol

**Agenda:** S.F. 357-Price: Government data; providing for classification and dissemination of educational data. S.F. 449-Betzold: Government data practices; providing certain data collected by counties is classified as nonpublic.

### Transportation Committee

Chair: Sen. Randy C. Kelly

9 a.m. Room 112 Capitol

**Agenda:** Presentation from Driver and Vehicle Services. S.F. 297-Kiscaden: Appropriating money for Midwest Regional Rail Initiative. S.F. 247-Limmer: Appropriating money to the Metropolitan Council for express bus service between

Rogers and downtown Minneapolis. S.F. 230-Fowler: Exempting ambulance services from motor fuel taxation. S.F. 15-Betzold: Osseo state-aid street funding.

### Environment and Natural Resources Committee

Chair: Sen. Jane Krentz

10 a.m. Room 107 Capitol

**Agenda:** S.F. 252-Tomassoni: Providing for seasonal firefighters; making temporary emergency firefighters eligible for unemployment. S.F. 320-Dille: Modifying conditions for the removal of beaver dams.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

1 p.m. Room 107 Capitol

**Agenda:** S.F. 47-Dille: Agriculture Education Leadership Council. S.F. 266-Vickerman: Metropolitan aggregate resources planning.

### Environment and Agriculture Budget Division

Chair: Sen. Leonard Price

4 p.m. Room 118 Capitol

**Agenda:** S.F. 295-Price: Legislative Commission on Minnesota Resources funding recommendations and budget overview.

### Health, Human Services and Corrections Budget Division

Chair: Sen. Linda Berglin

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed - Presentations by: Ombudsman for Families; Ombudsman for Mental Illness and Mental Retardation; and Health Licensing Boards: Emergency Medical Services Board, Medical Practices Board, Nursing Board, Pharmacy Board, Chiropractic Board, Social Work Board, Marriage and Family Therapy Board, Psychology Board, Podiatric Medicine Board, Veterinary Medicine Board, and Nursing Home Administrators Board.

### Income and Sales Tax Budget Division

Chair: Sen. Don Betzold

4 p.m. Room 316 Capitol

**Agenda:** S.F. 35-Johnson, Dean: Exempting machines used in nursery stock as farm

machinery. S.F. 17-Wiger: Modifying subtraction for elderly and disabled. S.F. 19-Wiger: Modifying subtraction for elderly and disabled. S.F. 72-Betzold: Exempting certain military income. S.F. 89-Larson: Increasing long-term care insurance credit. S.F. 169-Pappas: Providing tax credit for historic structure rehabilitation. S.F. 238-Marty: Providing a checkoff for anatomical gift education. S.F. 267-Robling: Allowing subtraction for military pay. S.F. 316-Lesewski: Creating subtraction for military pensions. S.F. 335-Schwab: Providing subtraction for social security income. S.F. 477-Kleis: Increasing maximum long-term care insurance credit. S.F. 529-Scheevel: Allowing exclusion for long-term capital gains. S.F. 533-Kelley, S.P.: Allowing an education subtraction or credit for musical instruments used in school.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning the Office of Secretary of State and the Department of Veterans Affairs.

### **Wednesday, February 14**

#### **Rules and Administration Subcommittee on Senate Information Systems**

*Chair: Sen. Leonard Price*

8 a.m. Room 224 Capitol

**Agenda:** Continuation of annual review of existing policies and initial IT project requests.

#### **Agriculture, General Legislation and Veterans Affairs Committee**

*Chair: Sen. Steve Murphy*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 518-Wiger: Exempting combat-wounded veterans from the special motor vehicle license plate design that identifies eligibility groups using decal stickers. S.F. 520-Wiger: Designating Combat Wounded Veterans Day. S.F. 327-Lewsewski: Repealing a provision about castrating certain animals running at large in a town. S.F. 523-Dille: Providing for testing of certain cattle herds. S.F. 333-

Kelly, S.P.: Veterinary medicine; authorizing certain cease and desist orders. S.F. 486-Ring: Extending the sunset date for the farmer-lender mediation program. S.F. 505-Higgins: Regulating the serving, selling, and labeling of certain religion-sanctioned food. S.F. 326-Vickerman: Requiring that diesel fuel sold in the state contain a minimum of five percent biodiesel fuel oil by weight.

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 38-Ranum: CriMNet. S.F. 264-Johnson, D.H.: Felony DWI.

#### **Jobs, Housing and Community Development Committee**

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** S.F. 543-Anderson: Family homeless prevention and assistance. S.F. 685-Cohen: Displaced homemakers.

#### **Commerce Committee**

*Chair: Sen. Sam Solon*

10 a.m. Room 112 Capitol

**Agenda:** Confirmation for Commissioner James Bernstein - Department of Commerce.

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** To be announced.

#### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Continued presentation of University of Minnesota budget request by Mark G. Yudof, president.

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 372-Samuelson: Providing a six percent rate increase for nursing facilities. S.F. 255-Stevens: Providing for rate adjustments for nursing facilities. S.F. 560-Sams: Allowing review organizations to participate in internet-based information sharing systems. Bills not heard at the Mon., Feb. 12 hearing.

#### **Education Subcommittee on Technology**

*Chair: Sen. Satveer Chaudhary*

3 p.m. Room 123 Capitol

**Agenda:** To be announced.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Len Price*

4 p.m. Room 125 Capitol

**Agenda:** Office of Environmental Assistance budget overview.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed - Presentation by: Department of Corrections.

#### **Property Tax Budget Division**

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** Continuation of governor's property tax budget proposal and testimony.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning Minnesota Technology, Inc. and the Office of State Auditor.

### **Thursday, February 15**

#### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session Room 112 Capitol

**Agenda:** To be announced.

**The Senate will be in session at 9:30 a.m.**

**Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*  
10 a.m. Room 107 Capitol  
**Agenda:** Overview of the Pollution Control Agency's legislative agenda.

**Judiciary Committee**

*Chair: Sen. John Marty*  
10 a.m. or immediately following session  
Room 15 Capitol  
**Agenda:** S.F. 170-Neuville: Bar Association real property law recommendations. S.F. 287-Betzold: Clarifying and modifying the crime of nonsupport of a spouse or child. S.F. 346-Betzold: Uniform principal and income act changes.

**State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*  
1 p.m. Room 107 Capitol  
**Agenda:** S.F. 509-Robling: City and county payment by credit card/electronic transfer. S.F. 510-Pappas: Making certain county offices appointive. S.F. 555-Betzold: Modifying administrative rules.

**Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*  
4 p.m. Room 123 Capitol  
**Agenda:** Governor's budget detailed : Presentation by: Department of Health, Commissioner Jan Malcolm.

**State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol  
**Agenda:** Budget presentations concerning Statewide Retirement Funds: Minnesota State Retirement System; Public Employees Retirement Association; and Teachers' Retirement Association. Local Retirement Funds: 1st Class City Teachers' State Aid; Local Police-Fire Amortization Aid; and Minneapolis Employees Retirement Fund.

**Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*  
5 p.m. Room 118 Capitol  
**Agenda:** Science of Museum of Minnesota budget overview.

**Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*  
7 p.m. Hibbing, MN  
**Agenda:** Governor's tax proposals.

**Property Tax Budget Division**

*Chair: Sen. Don Samuelson*  
7 p.m. Stearns County Courthouse, St. Cloud  
**Agenda:** Presentation of governor's tax proposal and public testimony.

**Friday, February 16**

**Rules and Administration Subcommittee on Elections**

*Chair: Sen. John Hottinger*  
8 a.m. Basement Hearing Room State Office Building  
**Agenda:** Confirmation of appointees to the Campaign Finance and Disclosure

Board; Shirley Chase, Wilbur Fluegel, Donald Roggenbauer and Allan Spear.

**Joint Senate Rules and Administration Subcommittee on Elections and House Governmental Operations and Veterans Affairs Policy Committee**

*Chair: Sen. John Hottinger and Rep. Jim Rhodes*  
8:30 a.m. Basement Hearing Room State Office Building  
**Agenda:** Testimony on S.F. 388-Hottinger: Fair and Clean Elections Act.

**Crime Prevention Committee**

*Chair: Sen. Jane Ranum*  
9 a.m. Room 15 Capitol  
**Agenda:** S.F. 197-Betzold: Felony for cruelty to animals. S.F. 296-Marty: DWI and chemical dependency prevention initiatives.

**Education Subcommittee on Early Childhood Education**

*Chair: Sen. Becky Lourey*  
12:30 p.m. Room 123 Capitol  
**Agenda:** Review of studies concerning early childhood development and programs.

**Senate Publications**

G-22 Capitol  
St. Paul, MN 55155-1606  
[senate.publications@senate.leg.state.mn.us](mailto:senate.publications@senate.leg.state.mn.us)  
(651) 296-8154  
TTY (651) 296-0250

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# Senate Briefly

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*A not-so-typical moment in the normally bustling second floor of the Capitol allows for catching up on the daily news.*

*Photo by David J. Oakes*



February 16, 2001

# Senate Highlights

## Adult foster care bill okayed

Senators met for a brief floor session Mon., Feb. 12. Two bills, both relatively non-controversial were granted final passage. The first measure, S.F. 43, authored by Sen. Don Samuelson (DFL-Brainerd), was designated a Special Order in order to expedite the legislative process. Samuelson said the bill lowers the age requirement—from 60 to 55 years of age—and variance requirements for adult foster care license capacity purposes. Samuelson said the bill has its origins in the situation of a constituent who needs adult foster care, but does not meet the age requirement for the adult foster care. The measure also authorizes the commissioner to grant variances if the variance complies with other provisions and is approved by the county in which the licensed foster care provider is located.

Sen. Jane Krentz (DFL-May Township) offered an amendment to allow the commissioner to grant a variance for an adult day care provider to admit up to seven individuals if the variance complies with other provisions, a second caregiver is present whenever six or more clients are being served and the variance is recommended by the county social service agency. The amendment was adopted and

the bill was granted final passage on a 63-0 roll call vote.

Members also gave final passage to one bill on the Consent Calendar. S.F. 376, authored by Sen. Jim Vickerman (DFL-Tracy), sets \$35,000, for municipalities of less than 2,500 population, or \$50,000 for all others, as the limit above which advertisement for bids must be conducted in making municipal improvements. The bill passed on a 65-0 roll call vote.

The Senate met again for a brief floor session Thurs., Feb. 15.

## Telecom bill presented

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Feb. 8, to consider S.F. 554. In his overview, chief author Sen. Steve Kelley (DFL-Hopkins) said the bill is the administration's updated proposal to regulate the telecommunications industry. According to Kelley, the measure attempts to encourage more advanced services and to make them available to all Minnesotans. Kelley posed the rhetorical question, "Why do it now?" He said, "Because the marketplace is changing faster than government can keep pace." Kelley said

that Minnesota needs to put more investment into telecommunications infrastructure in order to attract and maintain technology businesses. Telephone, cable and wireless providers are regulated and taxed differently, raising issues of equity and the need for appraising regulatory practices, according to Kelley.

Dept. of Commerce Deputy Commissioner Tony Mendoza followed with an overview of the proposal. He said the bill addresses four goals: To promote more competition; to provide consumer protection; to expand universal services; and to promote better governmental practices relating to regulation.

Mendoza said, "Litigation has characterized much of the competitive activity over the past 5 years; incumbents still possess 92 percent of the total market in Minnesota." In order to promote competition, S.F. 554 gives authority to the Public Utilities Commission (PUC) to require that wholesale service providers furnish network elements approved by the Federal Communications Commission (FCC), said Mendoza. The bill requires that wholesale service providers give retailers high quality service at least equal to the quality of service it extends to itself.

Another portion of the bill requires the PUC to establish deaveraged retail rates for essential services for all incumbent local service providers, to be completed by December 31, 2002. Under current law, rates charged by an incumbent carrier must be averaged across all geographic areas served by the carrier. The bill also provides a two-year rate cap on essential services. A provision requires that the state relinquish the right to initiate rate complaints and implements consumer-complaint-based regulation thereafter. The PUC or the attorney general are the entities that will investigate the retail rates for telecommunications services of a local service provider upon complaint by consumers representing 5 percent or 500 of the provider's access lines, under the bill.

Mendoza said that predatory pricing complaints must be filed by carriers and heard by the PUC. Carriers could be driven out of a market or discouraged from entering because they cannot win a pricing war, he said. Incumbent local exchange carriers (ILECS) are inherently conflicted between wholesale and retail operations, Mendoza said, and the standards and penalties approach is great for extinguishing fires, but cannot address systemic anti-

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competitive behavior. If the practice of anti-competitive practices is found, structural separation may be ordered by the PUC, according to a provision in the bill.

In terms of universal service, the bill establishes a universal service fund, making \$186.9 million per year available for basic phone service to rural areas. The bill imposes an excise tax of 5 percent on the retail price paid for telecommunications, cable and other multichannel video programming services by end users to support the fund. To provide access to advanced services, a provision establishes a \$100 million capital investment revolving loan fund from the universal service fund, made available in FY 2002 to any telecommunications carrier. Mendoza said the loans would be administered by a three-person loan board under the supervision of the Dept. of Commerce.

Kelley said that a major issue to address is the access charge exacted by incumbent providers. According to Mendoza, there is no relationship to the actual cost of supplying long distance service and the access charges that account for higher long distance costs for consumers. Doing away with the access fees did not go over well with small service providers, said Mendoza. The proposal establishes a subsidy for providers if service under the set-pricing rules do not make up for costs incurred in providing access, he said.

### Care workers wage bill gains

A bill designed to provide wage increases for non-administrative staff at nursing homes, intermediate care facilities for persons with mental retardation (ICFs/MR) and other direct care providers dominated the discussion at the Weds., Feb. 14, meeting of the Health and Family Security Committee.

The panel heard two bills, S.F. 372, authored by Sen. Don Samuelson (DFL-Brainerd) and S.F. 255, carried by Sen. Dan Stevens (R-Mora), that both aimed at increasing the wages of persons working in nursing facilities by providing an annual rate increase of 6 percent for costs at nursing facilities, ICFs/MR and other facilities. Further, S.F. 372 requires that 80 percent of the increases be used for wage increases for non-administrative employees. Samuelson said that nursing homes are experiencing a crisis because of the difficulty in recruiting and retaining employees. The bill, he said, is an attempt

to ease the crisis somewhat by providing additional compensation. S.F. 255 also provides an annual rate increase for costs at nursing facilities. Stevens said that the bill differs from S.F. 372 in the method by which the increase is calculated and in the language regarding ICF/MR rate year transition.

Craig Kittleson, of the Minnesota Health and Housing Alliance, said that while he was not opposed to increasing wages, he was concerned about targeting 80 percent of the rate increase for wage increases. He said that the targeting limited the facilities' ability to use resources in other needed areas. Doug Beardsley, representing Minnesota Care Providers echoed Kittleson's remarks and said that by targeting 80 percent of the rate increase in one area, other operational expenses were shortchanged. Beardsley said that the past year has seen skyrocketing utility costs, as well as increases in insurance of up to 100 percent.

Proponents of the measure said the increase in wages would help with the retention of employees and improve morale. Jim Vossen, representing United Food and Commercial Workers Local #653, and Bill Pearson, representing United Food and Commercial Workers Local #789, both said that S.F. 372 is a good step in dealing with a system in crisis. Richard Simonson, Minnesota Habilitation Coalition, and Rick Hammergren, REM Minnesota, Inc., also spoke in support. Hammergren said that increases in the last budget cycle helped morale. He added, though, that employee health insurance costs are going up—placing an additional strain on employees.

The panel, chaired by Sen. Dallas Sams (DFL-Staples), approved S.F. 372 and re-referred the bill to the Committee on Finance.

In other action, the committee also approved a bill allowing peer review organizations to participate in Internet-based information sharing systems. The bill, S.F. 560, authored by Sams, was re-referred to the Judiciary Committee.

Members also began discussion of a bill making changes to the Minnesota Utilization Review Act. The measure, S.F. 414, authored by Sen. John Hottinger (DFL-Mankato), requires that the physician reviewer for a Utilization Review Organization be licensed in Minnesota and practicing in the same or related speciality as the physician ordering the care, requires

that physician consultants used by a review organization in the appeal process be board-certified by the American Board of Medical Specialists or the American Board of Osteopathy, requires a review organization to file an annual report stating the number and rate of claims denied for each procedure and the number of denials overturned on appeal. In addition, the measure requires a Utilization Review Organization to provide an enrollee, an attending physician and the commissioner with the criteria used to determine medical necessity, appropriateness and efficacy of a procedure. The measure was amended to include mental health and substance abuse reviews and to include failure to use the current or prevailing standard of care when making a utilization review determination as grounds for disciplinary action. The bill was laid over for further discussion because of time constraints.

### Panel okays Wakota Bridge bill

Sen. LeRoy Stumpf (DFL-Thief River Falls) called the Transportation and Public Safety Budget Division Committee to order Tues., Feb. 13.

Sen. Leonard Price (DFL-Woodbury), chief author of the bill, discussed an amendment to the bill which changes the appropriation to the city of Newport for the Wakota Bridge project. The bill originally specified an appropriation of \$9.3 million, but the amendment reduces the amount to \$7.3 million, Price said. Newport Mayor Kevin Chapdelaine said that after renegotiating with the owner of a restaurant located in the construction area, an agreement was reached that lessens the funding amount needed to complete the project. The amendment was adopted.

Sen. Mark Ourada (R-Buffalo) said the committee needs to look at what has been done historically for similar requests. Sen. Dean Johnson (DFL-Willmar) agreed and said, "We're going to be faced with these issues again." He said it's a precedent-setting situation and the committee needs to give thought on how to proceed. Sen. Satveer Chaudhary (DFL-Fridley) said, "Ninety-seven percent of the beneficiaries of this project are outside of Newport." If there had been a greater amount of planning between Newport and surrounding cities, he said, the city's shortfall could have been avoided. S. F. 183 was approved and referred to the full Finance Committee.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Biodiesel bill debated

Members debated the merits of a bill mandating the use of biodiesel fuel at a meeting of the Agriculture, General Legislation and Veterans Affairs Committee Weds., Feb. 14. The bill, S.F. 326, is authored by Sen. Jim Vickerman (DFL-Tracy). Committee Chair Steve Murphy (DFL-Red Wing) presided.

Vickerman said the biodiesel bill requires all diesel fuel sold in Minnesota to contain at least 2 percent biodiesel fuel beginning July 1, 2002, and 5 percent biodiesel fuel after July 1, 2006. The bill will have a substantial positive impact on the rural economy, Vickerman said, by increasing demand for soybeans. He estimated the total impact on Minnesota's economy at \$185 million for the 2 percent level. Vickerman also said soy diesel is the cheapest biodiesel that meets federal clean air regulations, which will come into effect in 2006. Although some diesel fuel users are concerned that soy diesel will gel at cold temperatures, Vickerman said a 2 percent mixture performs well in cold weather.

Mike Yost, past president of the American Soybean Association, said the market for soy vegetable oil is bleak and the biodiesel bill helps remedy that problem. Yost said soy diesel is non-toxic, biodegradable, renewable, burns clean and requires no engine modifications. In addition, he said, it helps meet federal requirements that sulfur content in fuel be reduced.

John Campbell, vice president of Agriculture Processing Inc., told Senators, "You're standing on the threshold of essentially creating a new industry. There are zero supply problems, zero infrastructure problems, zero regulation problems and zero technical problems with soy diesel." Dana Albers, equipment manager for Hennepin County, said the county experimented with a 20 percent soy diesel mixture in its snowploughs through two winter seasons. Albers said drivers reported no noticeable difference between the biodiesel fuel and regular diesel. Sen. Kenric Scheevel (R-Preston) spoke in favor of the bill, saying, "If we can diversify our energy supplies we can protect ourselves against the volatility of fuel costs."

Representatives of the railroad industry testified against the bill. Brian Sweeney of Burlington Northern and Santa Fe said railroads are the largest user of diesel fuel in the country except for the military, and customers are already paying a surcharge linked to high fuel prices. The biodiesel mandate could force the company to change its fuel storage methods and modify engine setup, according to Sweeney.

Sweeney also said a fuel supplier has indicated that using soy diesel will increase nitrous oxide emissions, bringing the railroad out of compliance with ozone standards. Sweeney said all biodiesel studies so far have been on too small of a scale. John Bergene of the Soo Line Railroad Company said, "If our costs go up, believe me, the corn and wheat farmers in Minnesota are going to pay for it." The bill was laid over.

In other business, the committee approved seven less controversial bills. S.F. 518, authored by Sen. Charles Wiger (DFL-North St. Paul), allows combat-wounded veterans to use an embossed metal license plate design rather than the design that identifies eligibility groups using decal stickers. Commander John Wendt said, "I believe that to give them a sticker is a slap in the face." The bill was re-referred to the Transportation Committee. Wiger also authored S.F. 520, designating August 7 as Combat Wounded Veterans Day. The bill was sent to the floor.

S.F. 505, authored by Sen. Linda Higgins (DFL-Mpls.), forbids the sale of food products that are falsely represented as Halaal. Odeh Muhawesh explained that Halaal food has been raised and slaughtered in a manner consistent with Islamic law. S.F. 333, authored by Sen. Steve Kelley (DFL-Hopkins), gives the Board of Veterinary Medicine authority to issue a cease and desist order to any person violating the board's statutes. Roland Olson, executive director of the board, said the bill will help stop unlicensed practitioners from selling prescription medicines, thus ensuring the safety of animals, reducing the development of resistant pathogen strains and lowering the possibility of drug residue appearing in human food. S.F. 327, authored by Sen. Arlene Lesewski (R-Marshall), repeals an outdated section of law relating to the castration of livestock running at large. All three bills were sent to the floor.

S.F. 523, authored by Sen. Steve Dille (R-Dassel), appropriates \$250,000 each year to the Board of Animal Health for combating Johnes disease. Murphy offered an amendment that provides an additional \$100,000 each year to the University of Minnesota to develop a more accurate testing method. The amendment was adopted and the bill was referred to the Finance Committee.

Finally, S.F. 486, authored by Sen. Twyla Ring (DFL-North Branch), extends the sunset date for the farmer-lender mediation program operated by the University of Minnesota Extension Service to July 1, 2003. The bill was re-referred to the Education Committee.

## Crime Prevention

### CrimNet and DWI bills heard

Members of the Crime Prevention Committee met Weds., Feb. 14, to consider two controversial bills. The first bill discussed, S.F. 38, was carried by Sen. Jane Ranum (DFL-Mpls.), who chairs the committee. The bill details provisions related to a second installment on the multi-year plan to implement a statewide integrated criminal justice information system—or CrimNet. According to Ranum, the administration's \$27 million budget recommendation is not enough. Ranum said, "The community piece is missing and I want to work with the governor to go forward on the plan without [raising] property taxes—we will not have that happen."

Provisions in the bill fine tune aspects of the law related to the taking of fingerprints, photographs and other identification upon arrest. Current law is expanded under the bill, to require that persons who appear in court on a charge of a triggering offense (for adults, a felony, gross misdemeanor, or targeted misdemeanor and for juveniles a felony or gross misdemeanor), or who are convicted/adjudicated delinquent for a triggering offense, be fingerprinted, photographed and otherwise identified. The bill also authorizes the superintendent of the Bureau of Criminal Apprehension (BCA) to require that identification data be forwarded to the superintendent within a shorter period of time than the 24 hours currently specified. Another provision requires that the superintendent oversee identification data in suspense file reporting. Under the bill, the superintendent must provide the

criminal and juvenile justice information policy group with summary data on the number of disposition records pertaining to an individual that have not been linked to an arrest record. The bill also appropriates a total of \$41.5 million to the Supreme Court, the Department of Public Safety (DPS), the BCA and the Department of Corrections (DOC) for various CrimNet initiatives.

Karen McDonald spoke on behalf of the BCA and provided an update on how dollars were being allocated from last year's funding appropriation. She said of the \$7.388 million technology infrastructure funding and \$1 million in grants, \$554,100 is being used for implementation costs, \$168,000 for hiring 4 fingerprint technicians, approximately \$2.068 million for the statewide photo system, \$2.5 million for Livescan devices, \$1.668 million for the criminal justice CJ Network bandwidth and \$1 million in grants for statewide supervision.

Minnesota Supreme Court Information Systems Office Director Dale Good said the project was progressing as expected. "We're making great strides to make sure of strong oversight, and to remain on schedule," he said. Sen. Randy Kelly (DFL-St. Paul) asked Ranum what the projected costs would total. Ranum said she estimated the total to be around \$200 million. "That's up \$100 million over the amount of last year's estimate," Kelly said. Ranum said that business consultants advising her thought the original figure was too low. Businesses used to spend 7 percent of their budgets on technology, Ranum said, "but now they're spending about 50 percent because they recognize that those investments pay off." Good said they would not have accurate figures until the project plans are in from all the counties.

DPS Commissioner Charlie Weaver spoke in opposition to one portion of the bill relating to appropriations. He said, "Our concern has to do with language that moves \$26 million to the courts from DPS. Under the bill, \$20 million is appropriated to continue redevelopment of the court information system to be used by all counties to integrate court information with other criminal justice information. Another \$2 million is earmarked for 8 staff positions to support the policy group in making system improvements and \$4 million is appropriated for the planning, development and implementation of the

integration backbone consistent with the CrimNet architecture. Weaver said, "We think it's a bad idea for both policy and practical reasons." Weaver said the BCA has already begun to prepare for the backbone integration of the CrimNet system. From a policy standpoint, Weaver said the project belonged with either the Dept. of Administration—in the technology department—or with DPS. "The courts don't have the experience, staff or the desire to do it, but we do," he said. From a practical standpoint, Weaver said DPS has already rented the space for the project. Ranum said that in the administration's budget, "These dollars were not in DPS but in Administration." She agreed with Weaver that the policy group had not made the recommendation that the appropriations go to the Chief Justice of the Supreme Court. Ranum said she was concerned about consistency and continued bipartisan support. She also said that the courts do have the expertise to carry out the project.

Good outlined progress made toward implementing the Minnesota Court Information System (MNCIS) project. The project is the first statewide application to be implemented under CrimNet. It automates all the functions of the courts and integrates it with other business partners and functions. To date, said Good, all the court and criminal justice data and business requirements have been identified. Following more discussion concerning appropriations, S.F. 38 was laid over for further consideration.

Sen. David Johnson (DFL-Bloomington) presented S.F. 264, a bill that creates the felony DWI penalty and classifies it as first-degree driving while impaired. Under the bill, the DWI maximum penalty is 7 years imprisonment and/or a \$14,000 fine. Other provisions in the bill reclassify the current first through third degree impaired driving offenses as second through fourth degree offenses. The felony penalty applies if a person commits a DWI within 10 years of the first of 3 or more prior impaired driving convictions. Under the provision, prior impaired driving-related losses of license do not count against the offender when enhancing a penalty to a felony. The provision also imposes the felony penalty if a person has previously been convicted of a felony. The bill provides for a mandatory sentence for a felony DWI offender of not less than 3 years imprison-

ment and authorizes a criminal fine of up to \$14,000. Johnson said "There is also a strong treatment component in the bill."

Several witnesses testified in favor of the bill, including Hennepin County Attorney Amy Klobuchar, Paul Scoggin of the Hennepin County Attorney's Office, Minnesota State Patrol Major Mike Asleson and Dave Rossini, citizen. Mike Frankenberg, citizen, spoke in opposition to the bill and Ramsey County Chief Public Defender Jim Hanks offered alternative suggestions because he thought the sentencing provision in the bill was overly dramatic.

The bill was laid over for consideration at a later date.

## Education Committee

### Reading ed bills heard

The Education Committee convened Mon., Feb. 12, to hear and discuss bills relating to teacher reading education. Chair Sandra Pappas (DFL-St. Paul) called the meeting to order.

Sen. Jane Ranum (DFL-Mpls.) presented S. F. 356, a bill establishing a staff development grant to ensure teachers have reading education skills that enable them to teach students to read by grade two. She said there is a linkage between higher education instructional reading programs and student's reading accomplishments. "They [future teachers] simply don't have that background," she said

Dr. Barbara Taylor, an expert in the field of early reading intervention from the University of Minnesota, said that most students can be reading in grade one. About 85 percent of those who aren't reading at their grade level by grade two can be reached by the end of that grade, she said. A professional developmental program, said Taylor, is key to achieving state grade two reading goals and Minnesota has no program in place. "Federal reading excellence program money is going to states like Michigan and Colorado that already have programs in place, she said. "We are looking at \$25 million for our state," Taylor said. She said if Minnesota had a professional development plan in place, prior to requesting funds in the third and final year of the program, it may stand a better chance of being granted monies.

Strategies that work, said Taylor, are teaching children to learn phonics and giving them guided written exercises.

# Committee update

Further, she said, most intervention programs that work are geared for grade one, although there are a small number in grade two. Taylor said that children who are at-risk of not learning to read need good classroom instruction and intervention. She said parents need to read to children. Further, she said, there isn't enough time during college education programs for future teachers to adequately learn how to teach reading effectively.

Testimony was given on teacher reading skills by Nancy Katzmarek, St. Paul Public Schools, Title One Coordinator Vicky Hoffman, and Special Education/Reading Recovery Teaching Nancy McGuire. Katzmarek said that time assessment strategies include enhancing teacher's skills for reading instruction and having children maintain a reading routine of 90 to 100 minutes per day. "It takes four full days of instructional reading training to ensure teachers are prepared for teaching," she said.

Hoffman reviewed the reading success in Cass Lake using the best practices approach. She said after two years in a reading recovery program, grade two students had a lower level of low achievers and a higher level of high achievers. Reading success, she said, is due to staff development, a balanced and full implementation of a literacy program.

Although no formal bill has been introduced, Sen. Kenric Scheevel (R-Preston) spoke about the need for a reading skills enhancement proposal. Dr. Nikki Schiebel said that schools need more than a curriculum change for children who have trouble acquiring sufficient reading skills.

She said there is evidence of a best practice method for teaching reading and recommends sufficient reading training for teachers be mandated. She said a report recommended explicit and systematic phonemic awareness (teaching sound-symbol relationship), systematic phonics and guided oral reading. In-depth training of the structure of language and supervised practice in teaching reading is also needed, she said.

Jan Hagedorn, a parent and activist said, "Teachers have dismal reading instruction capabilities." There needs to be clear rules about what teachers need to know to teach reading and elementary education licensing rules are non specific, she said. Pappas said she is establishing a work group to look at reading strategies.

Sen. Twyla Ring (DFL-North Branch) presented S. F. 192. The bill, she said, establishes the Mighty Books Grant Program to assist Minnesota communities in developing and renovating libraries. In testimony, Mark Karnowski, Lindstrom city administrator said, "What we're looking for is funding for library books." One way, he said, is to encourage the collaboration between cities and school literature. Bob Boese, executive director of East Central Regional Library said, "The time has come for the Legislature to provide for a systematic and structured approach to funding libraries." He said, funding for libraries to provide access for the disabled is also needed.

Sen. Charles Wiger (DFL-North St. Paul) presented S. F. 3, a bill prohibiting enrollment in grade four for students unable to read by the end of grade three. Wiger said, "The goal is not to have to hold back students." Testimony was offered by Lyle Wray, executive director of the Citizen's League. He said, "Promoting students who haven't mastered material does them a deep disservice." He also said that success in lower grades is no guarantee of success in higher grades, but failure in lower grades is a guarantee of failure in higher grades. Sen. Jane Krentz (DFL-May Township) said, "Retention rather than intervention is the key point." She said the choice is between systems consequences or individual consequences.

## Technology overview heard

The Technology Subcommittee of the Education Committee was called to order by Chair Satveer Chaudhary (DFL-Fridley) Weds., Feb. 14, to hear an overview of education technology funding and a review of technology education.

Christine Maziar, research vice president and dean of the University of Minnesota Graduate School, reviewed the University's digital technology initiative and proposals. She said the U of M received a \$7 million endowment from the ADC Corporation to fund five \$1 million chairs and an additional \$2 million for graduate students. In addition, she said, last year's \$53.6 million state capital investment appropriation funded the Walter Library renovation. The building, she said, will house the new Digital Technology Center (DTC) and will reopen late in 2001.

The University's endowment for the center includes reallocations of \$1 million

from the Institute of Technology chair and \$2 million from the 21st Century Graduate Fellowship Endowment, she said. The University has already hired nine new faculty including the director of the industrial partners program, said Maziar. In all, the school will add 20 new faculty positions in digital technology with 12 funded through last biennium's initiative and 8 through internal reallocations.

The DTC has two initiatives, said Maziar. The first, is to create a hub of innovation and excellence at the University in digital technologies serving the industrial, educational and public needs, she said. The other, said Maziar, "is to establish University preeminence and reputation in leading edge technologies associated with the digital world. She said, to that end, four pre-eminent leaders in the fields of physics and astronomy, chemistry, mathematics and computer science, and engineering will be joining the U of M staff. She said their excellent reputations and innovative work in their respective fields should bring additional funding and other technology leaders to the school.

MnSCU Academic Affairs Vice Chancellor Linda Baer reviewed the Minnesota Virtual University's iSeek Solution website. She said the site has over 2.7 million hits per month, up 400 percent since June 2000. Site pages include listings of 168 post-secondary schools, 143 providers and 89,000 courses. She said the website also offers 913 courses online and 27,000 job postings. Site hits also include inquiries from other states and countries, said Baer.

Staff presented a fiscal overview of technology funding including a history of K-12 education technology related appropriations.

## E-12 Education Budget Division

### ECF programs outlined

The E-12 Education Budget Division was called to order by Chair LeRoy Stumpf (DFL-Thief River Falls) Mon., Feb. 12, to hear an overview of family and early childhood education programs.

Prevention Department Acting Manager Carol Thomas presented five budget activities pertaining to prevention programs. She said the Parenting Time Centers Program, formerly Family Visitation Center Program, reduces children's

vulnerability to violence and trauma related to family visitation. She said the program serves children from newborn to 18 years, but the majority of children served are 6 years old or younger. There are eight visitation centers located in Austin, Detroit Lakes, Duluth, Fergus Falls, Grand Rapids, St. Louis Park, Thief River Falls and Willmar. She said \$96,000 of funding is received from marriage licenses. The state has allocated \$200,000 annually since 1992 for the program and the governor recommends a continuation of the \$200,000 appropriation for both FY 02 and FY 03, she said.

The After School Enrichment Grants Program, Thomas said, seeks to achieve two goals, preventing at-risk behavior by children and enriching the development of children. She said before- and after-school and summer programming for at-risk youth offers two hours or more per week to improve academic achievement. She said a review of the 1997-1998 program showed an overall increase in academic performance and an increase in school activities by participating youth. The review also indicated a decrease in juvenile crime, expansion of community-based program sites, and more transportation services to increase program participation.

The governor, Thomas said, is recommending an appropriation of \$5.51 million for both FY 02 and 03, with carryforward authority. Sen. Becky Lourey (DFL-Kerrick) said she read a statistic that stated Minnesota has more unsupervised children after school than any other state and asked if that was linked to the fact that Minnesota also has more working mothers than any other state. Thomas said that many of the children who are reported in the statistic include children who are home for less than an hour after school before their parents arrive home and children whose parents have neighbors or family members checking in on them in a prearranged fashion.

Thomas reviewed the Adolescent Parenting Grants Program, which is designed to ensure the long-term self-sufficiency of adolescent families and the development and school readiness of their children through school-based, community-linked programs. Last year under this program, she said, 92 percent of student parents graduated. She said the governor is recommending that the \$400,000 in annual base appropriations for the program

be consolidated into the Children's Trust Fund program for more efficient administration of the grants. The CFL is trying to make a seamless program that entails a single application for what now takes three applications, she said.

The purpose of the Male Responsibility Program, Thomas said, is to educate young people, particularly males ages 10 to 21, about the responsibility of parenthood. The governor is recommending that the \$250,000 in annual base appropriations for this program be consolidated with the Children's Trust Fund.

Thomas said the Chemical Abuse Prevention Grants Program is funded through drivers license revocation fees. The amount, she said, is about \$200,000 per year and has been targeted by the Legislature for community collaboratives for drug prevention. She said grantees are provided with two-to-one matching funds. The governor, she said, recommends a continuation of \$200,000 for both FY 02

and FY 03 from the Special Revenue Fund.

The Coordinated School Health Program promotes coordinated efforts among schools, communities and families to measurably improve the health and educational status of Minnesota's young children, said Thomas. The program is federally funded, she said, but the Minnesota Aids Project is funding HIV regional training sites. "A strategy of the program," she said, "includes coordinated health education curriculum in the area of unintended injuries, alcohol and other drug use, sexuality/HIV/Aids, tobacco, diet and physical activity." Thomas also gave an overview of the federally funded Safe and Drug-Free Schools program that assists in establishing, operating and improving programs for violence, tobacco, and drug abuse prevention and education.

Barry Shaffer, supervisor of adult basic education, presented the Adult Based Education (ABE) budget. Shaffer said the



Parents and children gathered in the rotunda on Thurs., Feb. 8, to show support for Early Childhood Family Education programs.

Photo by Shelley Hawes

# Committee update

program provides 3.2 million hours of service and 60 percent of it is for English as a Second Language (ESL). ABE, he said is one-eighth to one-ninth the size of Minnesota State Colleges and Universities (MnSCU) and has 75,000 people attending the program. The governor recommends an aid entitlement of \$32.368 million for FY 02 and \$34.994 million for FY 03

## Basic formula allowance bill heard

The E-12 Education Budget Division Committee was called to order by Sen. LeRoy Stumpf (DFL-Thief River Falls) Wed., Feb. 14, to discuss S. F. 363.

Sen. Ann Rest (DFL-New Hope), author of S. F. 363 said she was presenting the bill for discussion and informational purposes. The bill increases the basic formula allowance from \$3,730 per pupil to \$3,964 per pupil for FY 02 and \$4,264 in subsequent fiscal years. She said the bill's total appropriation would be \$630 million for FY 02-03 biennium. She said the appropriation answers district funding problems. About 89 percent of school districts, she said, have levied monies for normal school financing.

Testimony was heard from a group of 13 parents and education representatives. Stan Mack, superintendent of Robbinsdale area schools, said, "We will need to cut 37 teachers if there is no increase in the budget." One of the problems, he said, is due to a teacher shortage. "A generation ago, more women were teaching," he said, "Women have more options than they did a generation ago and they are not choosing teaching anymore." This shortage, he said, creates a market problem. Mack said, contract settlements that are commensurate with market salaries have been negotiated.

Tom Walerius, of Robbinsdale School District 281, said, "Based on the governor's zero-increase budget, we will have to cut approximately \$2.9 million from the budget." Special education, math and science teachers can find higher paying jobs elsewhere, he said. "If we hold the line on salaries," said Walerius, "we will not be able to get teachers in these areas."

Kathy Leedom, Willmar School District superintendent, said the governor was quoted saying that E-12 education was a black hole and would consume as much money as it was given. Leedom said she was unhappy about that comment and that the governor's budget had catastrophic

effects on Willmar's schools. "Parents are saying, 'why don't you increase our taxes,'" she said. She urged the committee to be supportive of education and balance the budget.

Several parents of K-12 children gave testimony requesting help from the committee in raising the funding amount budgeted for education.

Stumpf said that S. F. 363 will be heard and considered in the full education committee.

## Higher Education Budget Division

### University budget proposal heard

The Higher Education Budget Division met Mon., Feb. 12, and heard University of Minnesota President Mark Yudof present the University's budget proposal.

Yudof said the University requests a total of \$221.5 million for the biennium; the governor is recommending \$48 million. He said, "When considering the University budget, the question you have to ask yourself is 'how much is enough.' The governor thinks the University will never have enough, never be satisfied. 'How much is enough' is enough to cover inflation, health care and \$30 million additional money each year."

Yudof said the governor's allocation of \$48 million covers only two-thirds of the inflationary increase for faculty wages and does not provide any funding for the \$58.1 million for health care cost increases for employees.

Stewart McMullan from the Department of Finance said that there is a statutory requirement that the state provide two-thirds of the salaries for faculty. Yudof said that the state is already in violation of that requirement because currently the majority of staff costs are paid by student tuition.

Yudof also said the governor's budget recommendations provide no money for major parts of the core budget including libraries, technology, facilities maintenance and undergraduate programs.

"We have a first class health care worker shortage in this state," Yudof said. Yet, he said, the governor's budget does not provide additional money for health care education programs outside of the Medical School, such as rural health, dentistry, pharmacy, and nursing programs.

The governor's budget does recommend \$16 million for core funding for the Medical School. Dr. Frank Cerra, senior vice president of health sciences at the University, said that although the governor recommends the full amount of the requested funding for the Medical School, the allocation is insufficient for two reasons. First, he said, without complete funding of the university core budget, such as salary increases and facility maintenance, the Medical School will need additional money to cover those costs. Secondly, he said, the governor is not recommending the \$16 million as recurring spending. Instead, Cerra said, the \$8 million that is allocated the first year as a one-time allocation. The \$8 million that is given in the second year will not be given to the University directly, but will be funneled through the Department of Health from the medical and research education fund, generated by the tobacco endowment, as an appropriation contingent upon the University meeting requirements that will be set by the department.

Sen. Richard Cohen (DFL-St. Paul) said that governor is treating the University as just another state agency, but the comparison is difficult because they use different means to calculate their needs. Yudof said that the governor does not ask for the same accountability from all state agencies that he is requiring for the University. "If you ask each commissioner and get their budget numbers and have them checked by accounting people you trust and then put those numbers against the University's efforts, you would see that who is winning the budget game," he said.

### University budget discussed

The Higher Education Budget Division, chaired by Sen. Deanna Wiener (DFL-Eagan), assembled Weds., Feb. 14, to hear the conclusion of University of Minnesota President Mark Yudof's budget presentation. He addressed the accountability of the University and measurements of success.

Yudof said that the University is accountable to a myriad of people and institutions: students, parents, the Legislature, private donors, accreditation associations and businesses. He also listed a number of ways of measuring accountability.

Yudof said that the University allocates money to departments and colleges depending on their enrollment.



“Money actually does follow the student at the University of Minnesota,” he said. According to Yudof, colleges keep about 98 percent of the tuition they generate, thus they have incentives to create courses students want to take. Yudof also said that the university increases the incentive of researchers to find external funding by allowing 51 percent of the grants they earn to be spent by their departments.

Yudof said that during his tenure the University has created a system of streaming funds through compacts, agreements between the administration and the colleges and departments. “Compacts put everything on the table simultaneously,” he said. “Everything is easily related to everything else.” He also said that comprehensive agreements between academic units and the administration create an information-rich discourse on the budget that allows the administration more ability to challenge colleges and departments to use resources efficiently.

Yudof said, “We don’t immediately come forward to the Legislature to say ‘give me.’ We look at our own budget and move money and faculty around our system into priority areas.” He provided an example of the 1998 state appropriation of \$4.5 million for digital technology education. He said that the University met the rest of its \$8.7 million need in the area by re-allocating \$1.33 million from lower priority areas and earning \$2.87 million in external funds. Altogether, he said, “When the Legislature invested \$18.6 million in the University in 1998, you got \$65.8 million worth of activities.” He said the faculty needs were also met through a combination of state funding and the re-allocation of faculty positions from low priority areas.

Yudof said, “It is not wise to have one measure of success in a complex system like the University.” For example, he said, if graduation rates were used as the only measure of the success of the university, grade inflation would increase.

Yudof said the substantial increases in grant and contract awards, research expenditures and voluntary support are crucial indicators of the University’s growth. “Donors don’t invest in the Titanic, but in areas where they see potential,” he said. He also said that first year retention rates, four-year and five-year graduation rates, student satisfaction, and the percentage of students and employees of color had all risen in the past five years.

“The fundamental way we should be measured is by the number of graduates, quality of the graduates and what they do for their communities,” said Yudof. “The governor asks, ‘What are you producing?’ The answer is that we are producing graduates.” According to Yudof, the University taught more than 59,000 students last year and awarded nearly 11,000 degrees.

Sen. Richard Cohen (DFL-St. Paul) repeated the concern he expressed during Yudof’s last presentation over the governor’s treatment of state agencies compared to the University. Amy Gromer, policy manager for the Office of the Lieutenant Governor, said the main difference was that the University has different funding streams than agencies. She also said that the Legislature does not have to be as involved in the requests of state departments as it does with the University. Peggy Ingison, from the Department of Finance, said, “The budget isn’t about the state agencies versus the University.”

Sen. Steve Kelley (DFL-Hopkins) asked what kind of information would prove the University’s accountability. Gromer said that the standards Yudof had discussed at the meeting were good measures and the administration would be happy to work out standards with the Legislature.

## Environment and Natural Resources

### Air, water pollution bills approved

The Environment and Natural Resources Subcommittee on Environmental Protection, chaired by Sen. Linda Higgins (DFL-Mpls.), considered two bills relating to air and water pollution standards Thurs., Feb. 8. The first bill, S.F. 379, requires the Minnesota Pollution Control Agency (MPCA) to make information about emissions from industrial sites easily accessible to citizens. The second bill, S.F. 212, requires the MPCA to consider health effects on children when setting air and water quality standards. Both bills were sent to the full committee with a recommendation to pass.

Higgins, author of S.F. 379, said the bill requires the MPCA to make information regarding emissions available on a web site in a searchable format. Edward Meyer of the MPCA testified that the

agency supports the bill and would like to offer information to citizens in an accessible and understandable form.

Higgins said she drafted the bill when it came to her attention how difficult it is for citizens to find specific information on what pollutants are entering their neighborhood from industrial facilities. Minneapolis resident Louise Olson said her son, who lives across from the Owens Corning insulation plant in northwest Minneapolis, called her one day when an unidentified material began to fall from the sky. Olson said she called several environmental and health organizations and was unable to get clear information on the substance, which she later found out can be harmful.

Paul Zobitz, another neighborhood resident, said he spent two hours searching on the Internet and finally took time off work to meet with a MPCA employee before he found a portion of the emissions data he was seeking. Finding specific data is important, according to Zobitz. He said, “When I presented this to the neighborhood it finally gave us a forum to discuss what the emissions were and where to go from here.”

Sen. Dan Stevens (R-Mora) said he found the use of the word “pollution” in the bill vague and offered an amendment changing the wording to “emissions and releases and other discharges.” The amendment was adopted. An amendment offered by Sen. Dennis Frederickson (R-New Ulm) giving the commissioner greater discretion over web site content was also adopted. Members sent the bill to the full committee with a recommendation to pass.

Sen. Jane Krentz (DFL-May Township), author of the second bill on the agenda, said she wants to call attention to the need to look at how polluted air and water affects the health of children as well as adults in specific areas. Her bill, S.F. 212, requires the MPCA to look at specific health risks such as respiratory disease, neurological development and cancer, and use the findings to set air and water quality standards with a sufficient margin of safety for both children and adults.

Marvin Hora of the MPCA said there is very little data for some of the criteria mentioned in the bill, and that it would be impossible to find a reasonable margin of safety for some of the criteria. The agency had opposed an earlier version of the bill but supports the current version which includes the language, “to the extent the information is available,” said Hora.

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Dr. Hillary Carpenter, Department of Health, said the department sets standards for the level of a chemical that will have no health affect on humans. Carpenter said agency policy dictates that the standards be conservative and protect sensitive portions of the population. The agency, he said, errs on the side of caution and wants to be sure that, "If exposures are held at or below the set level we are confident those exposures are without harm."

## Environmental health studies presented

The Joint House and Senate Working Group on Children's Environmental Health met Mon., Feb. 12, to hear presentations on asthma research and children's chemical exposure. Sen. Jane Krentz (DFL-May Township) presided.

Dr. Marian Marbury of the Minnesota Department of Health (MDH) presented an analysis of data on asthma. Marbury said asthma is difficult to study because its symptoms are similar to many other ailments and it lacks any definitive test or universal diagnostic criteria. In general, she said, there has been no increase in asthma among adults in the last decade, while the hospitalization of children for asthma has increased significantly. Hospitalization is particularly high among children in low-income and metro areas, she added, and asthma is the most common cause of school absence.

Marbury differentiated between factors that cause a person to get asthma and factors that trigger attacks in people who already have asthma. She said air pollution is unlikely to be a cause of asthma, but it is very likely to exacerbate the symptoms. It is an unresolved question whether current air quality standards are protective enough to minimize the negative effect on people who have asthma, Marbury said. Sen. Leonard Price (DFL-Woodbury) asked if more studies are needed to provide definitive answers. Marbury said studies are being done on the national level to determine the link between particulate matter and asthma, but it would be useful to have studies of asthma incidence on the local level.

Next, Dr. Pam Shubat of the Department of Health presented a study called "Comparative Risks of Multiple Chemical Exposures." The study measured the levels of pesticides and other chemicals in 102

homes where children live, and also took biological samples from the children to determine their actual exposure to the chemicals, Shubat said. Exposure to noncarcinogens rarely exceed recommended doses, she said, and the cancer risk from polycyclic aromatic hydrocarbons (PAHs) and pesticides was generally low. Shubat said benzene was the dominating risk factor for all children studied. Exposure varied from 4 in 1 million to 3 in 10,000. According to Shubat, the MDH uses a safe benchmark of 1 in 100,000 for benzene. When carcinogenic chemicals were considered as a whole, the median excess cancer risk was two in 10,000.

Rep. Jean Wagenius (DFL-Mpls.) and Sen. Twyla Ring (DFL-North Branch) asked why the MDH is not recommending any action to address carcinogenic exposure in excess of its recommended levels. Shubat said the estimates she quoted are very conservative, erring on the side of caution whenever possible, and it would be preliminary to take action based on such a small study with considerable areas of uncertainty.

## Firefighter, beaver dam bills considered

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), considered two bills Tues., Feb. 13. S.F. 252, a bill that makes seasonal firefighters eligible for unemployment insurance, was approved. S.F. 320, which modifies conditions for the removal of beaver dams, was laid over.

Sen. David Tomassoni (DFL-Chisholm), author of S.F. 252, said the DNR acknowledges seasonal wildland firefighters, or "smokechasers," as the "backbone of wildfire operations." However, Tomassoni said, they receive no benefits, seniority or job security. Seasonal firefighter Pete Leschak said smokechasers are currently hired as emergency employees even though the fire season occurs regularly every year. Tomassoni's bill makes smokechasers eligible for unemployment insurance.

A DNR report estimates the cost of offering unemployment compensation to smokechasers at \$570,480 if all smokechasers apply for benefits. Leschak said that is an inflated estimate based on anecdotal evidence, since not all smokechasers will apply for benefits.

Furthermore, he said, uncompetitive terms of employment make it difficult for the Minnesota DNR to attract a competent firefighting force. Firefighter Dana Linscott said, "The Minnesota DNR is a poster child for bad firefighter employment in the United States." He further noted that the DNR recently spent \$13.5 million to buy two firefighting air tankers. Leschak said, "You need the people on the ground to back up your \$13 million aircraft, and [the bill] would be a small price to pay for the retention of firefighters in Minnesota." Finally, Linscott pointed out that the DNR requires private contract firefighters to offer their employees benefits, yet does not have the same policy with its own employees.

Peggy Adelmann, DNR Budget Director, said the clause Linscott refers to is a standard requirement under Minnesota statutes for all state contracts. Sen. Dan Stevens (R-Mora) said, "It emphasizes the fact that government thinks it can operate under two sets of standards." Adelmann praised the firefighters for their work and acknowledged that the \$570,480 estimate is a maximum. She said the DNR is just operating as required by law and is not pursuing any new budget initiatives this year. The bill was re-referred to the Jobs, Housing and Community Development Committee with a recommendation to pass.

Sen. Steve Dille (R-Dassel), author of the beaver dam bill, said current law requires unanimous consent of the landowner, the county board and the commissioner to remove a dam. Dille said, "The landowner with the beaver dam basically has veto power over the whole process." The only alternative provided is to go to District Court, he added. The bill allows the DNR to remove a beaver dam without landowner consent.

Dille's constituent, Gerald Borrell, testified that a portion of his property, which he once rented out for grazing, has been flooded as a result of a beaver dam on someone else's property. The landowner has not consented to have the dam removed, Borrell said, and he would like to have a course of action other than going to court.

Wayne Edgerton of the DNR said the agency does not support the bill. Sen. Charles Berg (R-Chokio) said he sees no need to change Minnesota statute since the possibility of taking the dispute to court is provided for in law. Sen. Ellen Anderson

(DFL-St. Paul) agreed, saying she finds it unwise to allow landowners' rights to be disregarded. Berg suggested the law be changed so that the dispute could be taken to conciliation court, greatly reducing legal costs to the private landowner.

Dille and Krentz offered nearly identical amendments that allow for mediation in the case of a dispute. Stevens said he does not support the bill or the amendment, but believes there should be language making a landowner liable for property damage to a neighbor. The bill was laid over.

## Environment and Agriculture Budget Division

### Board of Water and Soil Resources overview heard

The Environment and Agriculture Budget Division heard a budget overview from the Board of Water and Soil Resources (BWSR) Thurs., Feb. 8. Committee Chair Sen. Leonard Price (DFL-Woodbury) presided.

Tammy McGlone, administrative services director at the BWSR, said "The vision of the agency is that citizens take personal responsibility for the national soil and water conservation program." The agency, McGlone said, emphasizes partnership with local government units in protecting soil and water resources. It administers conservation easements to private landholders who reclaim wetland areas and provides grants and technical assistance to local governments.

McGlone said the agency's total budget is \$39.8 million, 74 percent of which is used for grants and 26 percent for operations. Change items are \$724,000 to meet implementation costs for the Conservation Reserve Enhancement Program (CREP) that were not provided for in the 2000 bonding bill, and \$140,000 each year for Feedlot Non-point Engineering Assistance (NPEA), which provides assistance to local governments for feedlot water quality management. The agency also plans an internal reallocation of \$613,000 from the general cost share program to feedlot water quality management programs, according to McGlone.

Price asked which programs will lose funding because of the proposed reallocation to feedlot programs. Ron Harnack, executive director of the BWSR, said there will be less funding for cost share programs

involving lakeshore erosion, terraces and waterways. He said, "This is an internal reallocation to achieve a greater commitment to feedlots."

Senators had a number of questions about CREP funding. Price asked what the agency's fallback plan is if the proposal to use money from the Solid Waste Fund for CREP meets opposition. Harnack said some bills propose bonding and some propose a direct appropriation from the general fund. Price pointed out that a reliance on bonding makes CREP vulnerable to the governor's statement that he will veto the capital spending bill if the Legislature does not adjourn sine die, which would lead to a loss of federal matching funds.

### LCMR funding proposals discussed

The Environment and Agriculture Budget Division met Tues., Feb. 13, to consider the funding recommendations of the Legislative Commission on Minnesota Resources (LCMR), as drafted in S.F. 295. Members heard from representatives of projects that were recommended by the LCMR but cut from the governor's budget proposal. Committee Chair Leonard Price (DFL-Woodbury) presided.

John Velin, director of the LCMR, explained that the organization makes funding recommendations to the Legislature for special projects that help maintain Minnesota's natural resources. Out of 402 proposals received, the commission recommended 56 projects for FY 2002-03 at a cost of \$49 million. A flagship program, Velin said, is the proposal to spend \$11.7 million to connect fragmented landscape corridors and restore fish and wildlife habitat in the state.

Bill Becker of the DNR presented the governor's LCMR proposal, which he said emphasizes projects of statewide significance and follows up on already initiated projects. As a result of reprioritization, the governor's proposal shifts funding away from nine projects recommended by the LCMR. Becker said the following projects are cut: the Mesabi Trail facility; regional trailhead building; GIS management in Koochiching County; green infrastructure design strategies; alternative storm water systems; Big Rivers Partnership: Helping communities restore habitat; Uncommon Ground: An educational television series; sustainable inner-city communities; and

the Itasca County fairground conservation building.

Representatives of the cut projects defended their proposals. Gary Cerkvenik said a trail facility is needed to finish the Mesabi Trail, which he said is one of the largest trails in the nation and will bring tourism to the rural economy. Mary Vogel said the green infrastructure design strategies program will influence the design of public works projects across the state. James Frost spoke for alternative storm water systems, saying that although alternative runoff systems are inexpensive, local governments need incentives to implement them. Robert Buffler of the Big Rivers Partnership said the project involves citizens in preserving land along the Mississippi and Minnesota River Valleys. Barbara Coffin said the Uncommon Ground television series will describe the role of the land in shaping Minnesota communities. She said the first parts of the series are already being edited, and will be paired with the middle school history curriculum. Finally, Blanch Brown spoke for the sustainable inner-city communities program, saying it will remedy a lack of environmental education appropriate for inner city communities.

The money made available by the governor's proposed reallocations is used to finance the following projects: the Oliver Kelly Farm; conservation connections grants; forest bird diversity; the Minnesota land use census; the mussel resource survey; and the satellite based assessment of lake clarity and quality.

### OEA overview heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard a budget overview by the Office of Environmental Assistance (OEA) Weds., Feb. 14.

Dave Benke, manager of the OEA, said the agency's mission is to protect the environment, conserve resources and ensure a stable economy. As part of the agency's research and policy analysis activities, Benke said, the OEA issues the Solid Waste Report and the Pollution Prevention Evaluation Report every two years. Activities in the area of project implementation, Benke said, include technical assistance to local governments, development of markets for recycled products, and work with the Department of Administration to make environmentally responsible products available to state

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agencies. In addition, Benke said, the OEA administers \$14 million each year in Select Committee on Recycling and the Environment (SCORE) grants to Minnesota counties and \$1.9 million in competitive grants.

The agency also devotes energy to educating the public about making responsible environmental choices, Benke added.

Benke said the governor is recommending the agency's base budget of \$49 million for the biennium and also supports a reallocation of \$200,000 from grants to low-interest loans to help businesses make environmental improvements. Sen. Steve Dille (R-Dassel) noted that \$200,000 is a small amount of money for a new program, but Benke said the funds will allow the agency to initiate and evaluate the plan.

Sen. Twyla Ring (DFL-North Branch) asked what the agency is doing to promote green building. Benke said the OEA keeps a portfolio of green building case studies and has used grants to promote green building and develop a Sustainable Design Guide.

Sen. Dennis Frederickson (R-New Ulm) said the OEA's stated goal of eliminating the disposal of unprocessed municipal solid waste by 2008 sounds unrealistic. Sherry Enzler, director of the OEA, agreed that waste elimination is a huge hurdle. She said a technical work group will examine how the waste system works and initiate discussion on the topic. She noted that siting new landfills is a costly and controversial process, but current landfill space will be used up by about 2008 if current trends continue.

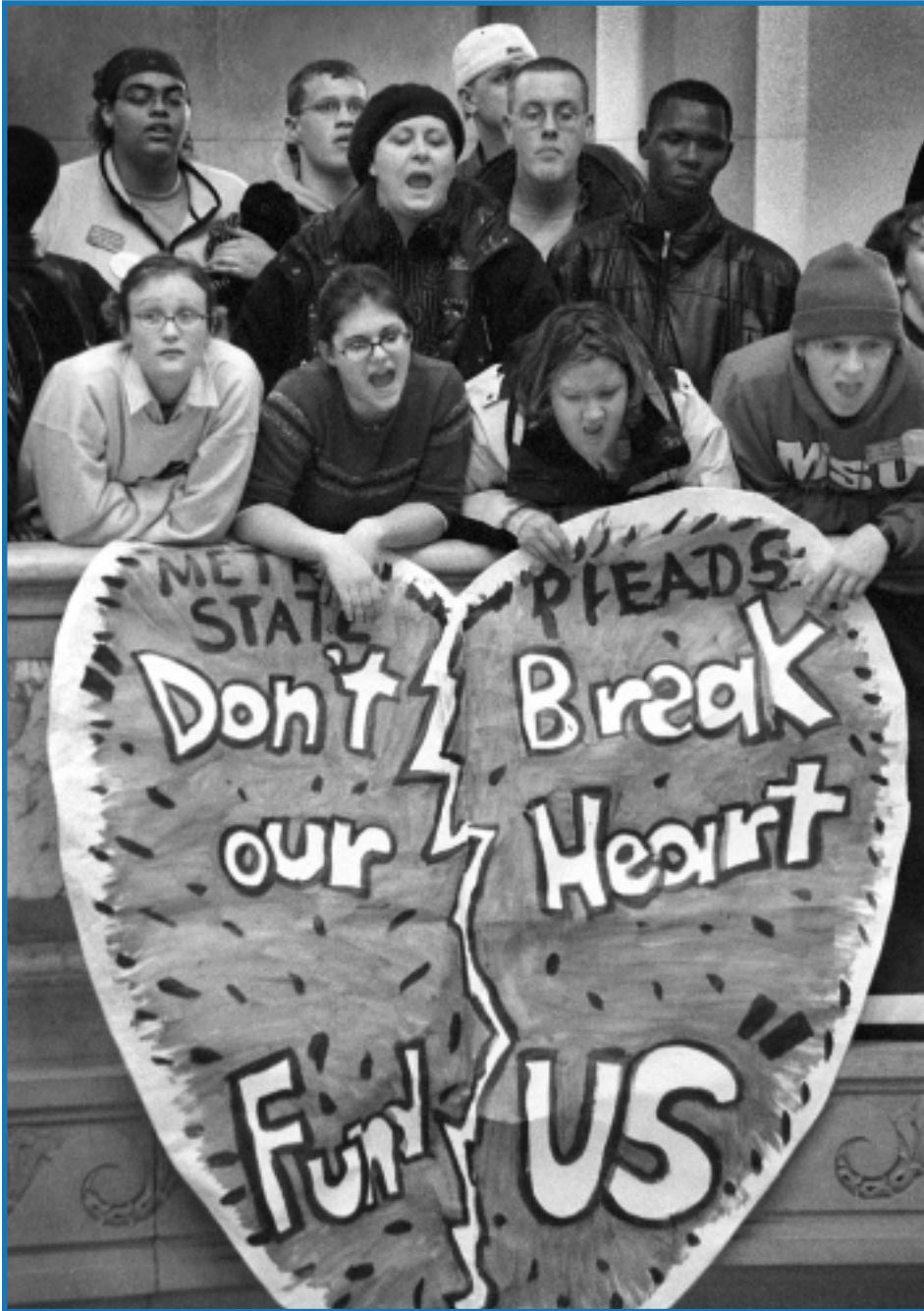
Price asked what the agency would do with a larger budget. Senior Policy Analyst Bob Meier said he often hears that counties need more than \$14 million in SCORE grants. Benke said the agency would devote more energy to product stewardship and environmental education.

## Health and Family Security

### Six health bills considered

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Feb. 12. One of the more controversial of the bills presented, S.F. 410, was carried by Sen. Linda Higgins (DFL-Mpls.). The bill requires that special care facilities for Alzheimer's patients disclose information about the services they provide, including written materials explaining the form of care or treatment provided and how the care is distinguished from what is offered elsewhere. A facility's security features, frequency and types of activities offered and unique features relating to screening, admission and discharge procedures are also included in the list of disclosure items. Additionally, a provision requires that direct care staff must receive a minimum of four hours of Alzheimer's service training within the first four weeks of employment and four hours annually after that.

Iris Freeman spoke on behalf of the Alzheimer's Association and told the panel that there is an explosive growth in the number of facilities that claim to offer specialized services for Alzheimer's patients. She said that services vary widely from facility to facility. The bill works, in



The Capitol rotunda echoed with the voices of dozens of college students on Weds., Feb. 14, in protest of the governor's proposed higher education budget.

Photo by David J. Oakes

part, to define what an Alzheimer's special care unit or program is, in order to help families distinguish between programs that offer Alzheimer's-specific services and those offering more broad-ranging care, she said. Patti Jurkovich also spoke for the Alzheimer's Association, and said that when her mother's Alzheimer's condition advanced, she and other family members began searching for a facility specializing in care for Alzheimer's patients. Jurkovich said that the search process was very time consuming and emotionally difficult, partly due to the lack of standards regulating Alzheimer's special care programs.

Representing Care Providers of Minnesota, Doug Beardsley said he opposes the bill because the industry is already in crisis and can ill afford the cost of additional staff training and printing costs. Lori Meyer, representing Minnesota Health and Housing Alliance and Linda Lund, representing Presbyterian Homes and Services echoed similar concerns. Members discussed the issues of family responsibility in assuring quality care for loved ones versus mandating procedures for providers—and speculated about costs related to implementation of the bill. The bill was laid over for further consideration.

Sams presented S.F. 493, a bill brought to him, he said, by the Association of Minnesota Counties. The bill was authored in response to eroded federal Title XX funds and eroded state block grant funds for mandated detoxification services, he said. According to Association of Minnesota Counties President Tom Delaney, costs to counties for detoxification services has risen to approximately \$13 million annually, most of which is paid with county property taxes. Delaney said the cost of the program takes away from services for children and the elderly. It would be more appropriate to spend more on treatment and prevention, said Delaney. Olmsted County Community Services Associate Director Paul Fleissner said there have been dramatic increases in the numbers of individuals requiring detoxification services, which is draining funds from other programs. Sen. Linda Berglin (DFL-Mpls.) said, "This was not an unfunded mandate in the beginning," but added that millions had been cut from Title XX dollars. Sen. Sheila Kiscaden (R-Rochester) and Berglin suggested alternative funding sources, such as increasing the amount of block grant money or using Medical Assistance funds. Kiscaden said

that considering the many funding requests coming before the committee from counties, she did not consider the request a major priority.

The bill requires the commissioner of human services to reimburse county boards for the cost of detoxification services. Beginning in July 2001, \$26 million is appropriated from the general fund for counties through June 30, 2003, based on average expenditures as a proportion of statewide detoxification expenditures. The bill was approved and advanced to the Finance Committee.

Sen. Arlene Lesewski (R-Marshall) carried S.F. 417, a bill that amends the Department of Human Services licensing act in regard to background checks on nursing home assistants. The bill provides that the contents of a police or court record that has been expunged must not be used by the commissioner as a basis for disqualification under the licensing act. Lesewski related the story of a nursing home assistant who had a prior criminal record expunged, but had become homeless because her records, though expunged at the local level, were shared with employers and potential employers, resulting in job losses. Members voted to approve the measure and advance the bill to the floor.

Lesewski also carried S.F. 461, a bill that makes the Dept. of Corrections (DOC) the agency responsible for assessing or investigating allegations of maltreatment in juvenile correctional facilities. Under current law, the local county welfare agency is responsible for assessments and investigations. Rock County Family Services Director Randy Ehers said that county social service agencies lack the resources to thoroughly investigate maltreatment allegations. He said that correctional facilities have the needed methods, expertise and resources already in place to deal with the mostly older, out-of-state, violent adolescents who frequently allege abuses. Ehers said that often, charges of abuse occur after the child has left the facility.

Kiscaden asked, "If an abuse occurred at Red Wing, wouldn't it [DOC] be responsible for investigating its own entity?" She said she thought it would be more appropriate for the Dept. of Human Services (DHS) to process assessments and investigations. Kiscaden offered an amendment to that effect, which members adopted to make DHS the responsible

investigating entity. The bill was approved and advanced to the Finance Committee.

Berglin presented S.F. 456, a bill that allows persons with mental retardation access to short-term care in intermediate care facilities. Under the bill, counties are required to screen recipients of services under the community-based waiver for persons with mental retardation and to place them on and off the waiver as needed. Berglin said that under current law, waivers are not permitted to be used for intermediate care facility services. Members voted to approve the bill. It was advanced to the floor.

A bill that modifies the definition of gross individual or gross family income for MinnesotaCare benefits was presented by Sams. He said S.F. 559 allows qualified self-employed farmers to depreciate operations and other losses. According to Sams, over the next two years, 1,100 new families will be allowed access to MinnesotaCare under provisions in the bill. The bill was approved and advanced to the Finance Committee.

## Health, Human Services and Corrections Budget Division

### Health budget detailed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Feb. 13, to hear overviews from the Ombudsman for Families, the Ombudsman for Mental Illness and Mental Retardation and from representatives of the health licensing boards.

Edwina Garcia represented the Office of Ombudsman for Families and provided a review of the agency's mission. Garcia said the office operates independently but in collaboration with the Indian Affairs Council, the Chicano-Latino Affairs Council, the Council on Black Minnesotans and the Council on Asian-Pacific Minnesotans. She told members that the primary duty of her office is to ensure that all laws governing the protection of children and their families are implemented in a culturally competent manner and that decision-making processes are in compliance with the laws that protect children of color. Garcia said the communities she represents are dramatically growing and changing. The proposed

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budget recommends increasing the agency's base level by \$124,000 to cover the additional costs of salaries and \$26,000 for the relocation of the agency.

Roberta Opheim, ombudsman for mental illness and mental retardation, told the panel that her agency was created to promote the highest attainable standards for treatment, competence, efficiency and justice for persons receiving care and treatment for mental illness, mental retardation and related conditions, chemical dependency, and emotional disturbance. She said that duties of the office have expanded significantly, while staffing has changed little. Staffing, she said, accounts for the majority of the budget.

Budget recommendations include \$65,000 in FY 2002 and \$88,000 in FY 2003 to maintain the current level of services; \$18,000 each year for ongoing support for the agency's information technology; and \$250,000 in FY 2002 for the establishment of the Center for Ombudsman Services.

Emergency Medical Services Board Executive Director Mary Hedges said her agency is the lead agency for emergency medical services (EMS) in the state. According to Hedges, revenues are collected through charges to ambulance services licenses, and vehicle licensing and training fees. She said that 75 percent of the budget is paid out in grants to support outlying EMS providers. Her agency requested \$250,000 for the biennium to develop EMS technology, but the recommendation was not okayed by the administration, said Hedges. The administration recommends the agency's base budget, plus the restoration of \$3.6 million for the biennium from the General Fund to compensate for the removal of portions of the base budget from the Trunk Highway Fund during the 2000 Legislative Session. A base reduction of \$128,000 in ambulance volunteer training reimbursements was also included in the administration's proposal. Hedges said the proposed budget represents a decrease.

Reports were also heard from the other health licensing boards, including the Medical Practices Board, Nursing Board, Pharmacy Board, Chiropractic Board, Social Work Board, Marriage and Family Board, Psychology Board, Podiatric Medicine Board, Veterinary Medicine Board and Nursing Home Administrators.

## DOC budget reviewed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Weds., Feb. 14, to review the Dept. of Corrections (DOC) budget proposal. DOC Commissioner Sheryl Ramstad Hvass said the key theme of the agency's budget is the reallocation of funds for more offender supervision. She said that as the inmate population continues to grow, funds must be reallocated for more prison beds and security enhancements. The plan includes the addition of approximately 500 beds systemwide, funded by money shifted from unfilled staff positions, she said.

Deputy Commissioner Dennis Benson told members that the DOC general fund base budget totals \$733.8 million. A portion of the budget focuses on per inmate per diem costs, he said. In the past, according to Benson, the agency has been criticized for the high per diem rates, as compared to rates in other states. Using a revised formula, Benson said \$9.4 million has been subtracted from the original \$27 million forecast for FY 02-03, leaving \$17.6 million allocated for caseload increases. His report indicated that it is the first time in DOC history that the agency is not requesting funds for an increase in caseload funds.

Change items in the budget proposal included an adjustment for CriMNet implementation, security enhancements, a reduction in the formula for determining the cost of MCF-Red Wing placements and reimbursements for community supervision programs. A total of \$1.5 million is budgeted for the CriMNet information system collaboration. The money is allocated for the DOC connections to CriMNet and to continue granting counties funds to prepare and implement county connections to the system. The money also provides funds toward out-of-home placements and toward the implementation of electronic probation file transfer programs. Berglin said that data practices—especially in regard to protecting the rights of juveniles—should be thoroughly considered as part of the CriMNet effort. Sen. Sheila Kiscaden (R-Rochester) asked whether or not counties were funded beyond the initial CriMNet connection grants. She was concerned, she said, that once the systems are implemented, counties might not have the financial resources to maintain the system. DOC Interagency Management Director

Dan Storkamp said that the budget makes no accommodation for long-term county funding.

Benson told the committee that his agency needed to look at the design and site lines of the medium security institutions. The budget includes \$3 million for the purchase and installation of locks at level three facilities and perimeter fencing with electronics at MCF-St. Cloud. The wall surrounding MCF-Stillwater also needs electronic security, he said. Since some of the lower level facilities were not built as prisons, several do not have locked cells, he said. Benson said that locks would be used at night or for emergencies at the institutions.

Under the proposed budget, the state will pick up 35 percent of the cost of placements at MCF-Red Wing, totaling \$3.7 million. In the past, counties paid the total cost of the placements.

DOC Deputy Commissioner Mark Carey said that the plan calls for the shifting of funds from prison bed expansions to less-costly and effective correctional programs in the community. The reallocation reduces probation agent caseloads so that offenders can be more closely supervised, he said. Agents are added to increase intensive supervision of dangerous offenders and funding is increased for sex offender treatment to reduce recidivism, under the proposal. In a further effort at cost trimming, administrative responsibilities such as technology and financial services will be shared among prison facilities. The DOC is increasing grant-writing to generate funds from outside sources and is developing public/private partnerships to reduce costs, Benson said.

## Jobs, Housing and Community Development

### Homelessness prevention, displaced homemakers bills heard

The Jobs, Housing and Community Development Committee convened on Weds., Feb. 14, and discussed legislation concerning family homelessness prevention, displaced homemakers, and a steel import resolution.

Chair Ellen Anderson (DFL-St. Paul) started the meeting by describing the tour members of the committee took on Mon., Feb. 12. The committee visited four homeless shelters in Minneapolis. "It was

an amazing experience because of the images we saw,” Anderson said. “One Minneapolis shelter, which people called the morgue, had bare brick rooms without any windows and nothing but a stack of mattress in the corner.”

Anderson presented a bill that appropriates additional money from the general fund for the base budget of the family homeless prevention and assistance program.

Michael Dahl, executive director of Minnesota Coalition for the Homeless, said, “Homelessness prevention is the most cost effective and humane way to deal with homelessness in this state.” He said the programs, which are administered through 12 locations throughout the state, aim to prevent homelessness, shorten stays in shelters and eliminate repeated uses of emergency housing. These aims are often accomplished by providing rental assistance to tenants who are in danger of losing their leases, he said. In Hennepin County, 97 percent of people who receive homelessness prevention services did not use them again within a year, he said.

According to Dahl, family homelessness prevention costs about \$370 per family whereas housing a family in a shelter can cost up to \$4,000. “It’s a bargain,” said Anderson. “And it’s a bargain that we ought to invest in.” Anderson said that the funding was not a part of the governor’s budget. The bill, S.F. 543, was recommended to pass and re-referred to the Finance Committee.

Senator Richard Cohen (DFL-St. Paul) presented S.F. 685, which provides funding for the displaced homemakers program. He said that 7,000 people have benefitted from the program.

Jeanne Stoltenberg testified on the impact the displaced homemaker services had on her life. She said she had been a farmer with her husband until she was forced to leave the relationship due to abuse. “I had to leave my husband five times,” she said, “because I couldn’t get a job, thought I had no skills and figured there was no one who would hire me.” She said that the displaced homemakers program provided one-on-one counseling and taught her many small lessons, such as how to dress for an interview. She said displaced homemaker programs gave her the confidence she needed to pursue her dreams of being a librarian and she now is hoping to go to school next year for a doctorate degree. “Workforce centers just

give you a job,” she said. “But displaced homemaker programs can rebuild confidence, because when you’re that low, you need to rebuild your whole life.”

Sen. Debbie Johnson (R-Ham Lake) asked whether displaced homemaker programs provided services that overlapped with workforce centers. Connie Moore, chair of the Minnesota Displaced Homemaker Program Network, said, “We are not a job center. Our programs are about rebuilding lives. When people come into the displaced homemaker programs, they need a lot of other support services before they are ready to move onto the next step.” Aviva Breen, the director of the Legislative Commission on the Economic Status of Women, said the program could be described as preparation for job training. Lucy Franz, director of displaced homemakers programs, said, “We see women who go to the workforce centers and are told to go to the displaced homemaker programs and then go back when the workforce center can help them.”

The committee approved S. F. 685 and re-referred it to the Committee on Finance.

The members also recommended that S.F. 258, a resolution sponsored by Sen. David Tomassoni (DFL-Chisholm), be recommended to pass and be placed on the Consent Calendar. The resolution requests that Congress ban the importation of steel products manufactured in countries that are suspected of breaking international trade law for one year.

David Foster, a representative from the United Steelworkers of America, said that 16 American steel companies are in bankruptcy and that the steel prices in December 2000 were the lowest in history. He said the main cause for the closing of taconite mines, such as the LTV mine in Minnesota, was the “illegal dumping” of imported steel into the U.S., which occurs when steel is sold to the U.S. for less than the cost of production.

## Judiciary

### Bill adds judges

Sen. John Marty (DFL-Roseville), chair, convened the Judiciary Committee Thurs., Feb. 8, to consider two bills.

S.F. 248, authored by Sen. Richard Cohen (DFL-St. Paul), increases the number of trial court judgeships statewide. It adds one judge each to Districts 7 and 9, two judges each to Districts 1 and 3, and

three judges to District 10. Representing the state court administration, Heidi Green said that, since 1992, juvenile cases have increased by 65 percent and major criminal cases by 45 percent. Over that same period, the number of trial judges increased by only 11 percent.

A panel of judges presented testimony relating to the seriousness of the shortage. District 1 Chief Judge Leslie Metzen said it is important to see the real people and the complex problems represented by the increase in filings. “It’s more than just workload statistics,” she said. “It’s about judges being more effective in what they do.” Gerard Ring, chief judge of District 3 likened a typical judge’s caseload to an assembly line. District 10 Chief Judge Joseph Quinn said the increased workload diminishes the time available for a judge to hear a case and to make the best decision for the parties involved.

Sen. Jane Ranum (DFL-Mpls) said the population increases cited in the presentation were not proportional to the number of judges requested for the districts. Green said that population influences the growth in cases but that the number of new judgeships requested per district is based on actual caseloads examined in a time-weighted analysis. Sen. Thomas Neville (R-Northfield) said that, besides judges, there are also shortages in public defenders. Dick Sherman of the Board of Public Defense gave testimony echoing this concern. He said there will be a request to proportionally increase public defenders; he added that he is considering offering a statutory change to make increases in support staff automatically tied to increases in the number of judges.

The bill was approved and sent to the Finance Committee.

Chief author Roger Moe (DFL-Erskine) presented S.F. 319, a bill that amends the notification requirements for bankruptcy debtors seeking a discharge of judgments. Current law requires that debtors serve creditors with notice in the same manner provided for service of a summons in civil action. The bill allows debtors to use certified mail as a method of serving notice. Senate Counsel presented language for an amendment to clarify that certified mail was an alternative to, not necessarily a replacement of, the current method. Neville said the amendment could be misconstrued as implying that both methods were required and offered an amendment to the amendment to further

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clarify the language. The amendment was adopted with the Neuville language. The bill was approved as amended and placed on the Consent Calendar.

## Educational data privacy discussed

The Judiciary Subcommittee on Data Privacy and Information Policy met Tues., Feb. 13, to consider two bills. Sen. Don Betzold (DFL-Fridley), chair of the subcommittee, presided.

S.F. 357, authored by Sen. Leonard Price (DFL-Woodbury), makes numerous changes to the Data Privacy Act as it pertains to educational data. Don Gemberling of the Department of Administration said that, in response to incidents of school violence, amendments to the Federal Educational Rights and Privacy Act (FERPA) left states an opening to define appropriate data sharing provisions. He said, however, that the only guidance offered by the federal law is that the reporting or disclosure of educational data to the juvenile justice system must “effectively serve, prior to adjudication, the needs of the student.” Price said that a task force has studied the issue of data sharing and that the bill represents a culmination of the ideas generated. The bill modifies and expands the provisions under which a school must disclose data and adds new categories of data that the school must provide. It includes a statutory form to serve as a request for educational data and gives schools ten days to fulfill the request. The bill allows additional information to be requested in writing, but says that a school does not have to generate data that it does not already have.

The bill further clarifies the provisions with new definitions. There is a broader description of who qualifies as “part of the juvenile justice system,” as well as new definitions of “gang activity” and “assaultive or threatening conduct.” The new juvenile justice definition includes judges, court services staff, parties to proceedings and their attorneys, an individual or agency having custody of a child prior to a court order, an individual or agency providing specified services to the child, a potential placement provider being considered to serve the child, law enforcement officers, and individuals designated by the court to perform studies or other duties.

To bolster compliance with FERPA, the bill includes language intended to

provide a safe harbor for schools so that they are free from liability for releasing data. It also protects the privacy of data when it is shared and provides criminal penalties for falsification or for violation of that privacy. The bill specifies a process for schools to receive and disseminate rulings on a student by the juvenile justice system and extends the reach of the law to include charter schools. The measure provides for data transfer and destruction and provides direction for the training of law enforcement and court personnel in the implementation of the new provisions.

Joining Price and Gemberling to speak in support of the bill were Peter Cahill, an attorney for Hennepin County, and Tom Deans of the Minnesota School Board Association. Cahill refuted the perception that the juvenile justice system will abuse the new provisions to hand down harsher judgments. He said that, on the contrary, the system seeks to serve all the needs of children and can do so with greater access to information about them. Deans, while supporting the bill in general, expressed concerns about the breadth of the “juvenile justice system” definition and about the lack of clarity regarding how much power, if any, schools are given in deciding to fulfill requests for additional information.

Kathy Kosnoff of the Minnesota Disability Law Center spoke in opposition to the bill. She echoed Deans’ concern that the juvenile justice definition is too broad. She said that the bill goes beyond the intention of the FERPA language, potentially opening up too much information to too many people. Dale Swanson of the Minnesota Elementary School Principals Association presented numerous objections to the bill, saying that it mandates disclosure and eliminates the necessary balance between the justice system’s desire to know and the child’s right to privacy. Swanson, who served on the task force, said he does not believe the bill represents the views of the task force, saying that there was no consensus on recommendations. He objected to the bill’s repeal of the requirement that a student be on probation for certain kinds of data to be released. He said the language intended to provide schools a safe harbor from prosecution invites abuse and a complete lack of case-by-case scrutiny on the part of law enforcement. He added that the provisions for criminal misuse of data are not effective and

suggested that tort action should be allowed against those requesting information.

Roberta Opheim, ombudsperson for Mental Health and Mental Retardation, agreed that criminal penalties for misuse are not enforced. In addition, she said many affected parents have neither the resources nor the wherewithal to pursue tort actions.

Addressing the definitions included in the bill, Betzold said the “gang activity” definition could create constitutional issues regarding freedom of association and freedom of expression. Gemberling said it is the definition devised by the statutory council on criminal gangs.

No action was taken on the bill. Betzold said it will be re-examined as part of an omnibus data privacy bill later in this session.

In other action, Betzold addressed the subcommittee as author of S.F. 449. The bill extends to counties the right to classify as nonpublic the data collected in administering economic development assistance programs. The statute currently extends that classification to city programs. A technical amendment was successfully offered and the bill was laid over.

## State and Local Government Operations

### Bill requires aggregate planning

Sen. Jim Vickerman (DFL-Tracy), chair, convened the State and Local Government Operations Committee Tues., Feb. 13, to hear two bills.

Vickerman presented S.F. 266, which he authored. The bill adds to the existing statute requiring Metro Area governments to engage in land use planning. To the list of areas delineated in the statute as topics the land use plan must address, the bill adds “consideration of the protection and development of aggregate resources.” In this case, “aggregate” is a broad term used to describe sand, gravel, and crushed rock mixtures used in construction. Eli Cooper, representing the Metropolitan Council, said that aggregates are a finite natural resource, adding that the available supply in Minnesota will only last a couple more decades. At times, he said, land that is known to contain aggregates gets developed commercially or residentially, making it impossible to extract the aggregates. Nonetheless, he said the



council is not prepared to take a position on the bill because a working group has not yet finished examining the issue. He said he is not clear whether the bill directs governments specifically to "protect" aggregate resources.

Sen. Martha Robertson (R-Minnetonka) said the language in the bill is broad and does not require that any specific conclusion be reached by governments, only that consideration of aggregates be included in the land use plan. Sen. LeRoy Stumpf (DFL-Thief River Falls) said he was not sure the language was clear on that point. Peter Coyle, representing Ed Kramer & Sons, clarified that the bill is intended only to require the consideration of aggregate resources. He said governments will still be free to plan as they see fit. Sen. Myron Orfield (DFL-Mpls.) asked if the language left governments open to litigation should they make decisions that were construed not to be protective of aggregate resources. Coyle said the bill weakens litigation against governments because an examination of aggregates in land-use planning satisfies the standard that decisions not be "capricious or arbitrary." Sen. Mady Reiter (R-Shoreview) asked if determining where aggregates are will be costly for local governments. Coyle said that the location of aggregate resources has already been mapped for the entire state. Sen. Dan Stevens (R-Mora) agreed with Vickerman's assessment of the coming aggregate shortage and said the bill's permissive language is a modest step toward planning for wise usage. The bill was approved and sent to the Senate floor.

Chief author Steve Dille (R-Dassel) presented S.F. 47, a bill that extends the life of the Minnesota Agricultural Education Leadership Council through FY 05. The council, established by the Legislature in 1997 to improve and restructure agricultural education at all levels, is currently scheduled to expire June 30, 2002. The bill also provides that ex officio members can designate temporary or permanent replacements for themselves on the council. Sen. Martha Robertson (R-Minnetonka) said that other legislation is being drafted that sets the end of FY 03 as the end date for a number of similar councils. She said that biennial review of all councils is necessary by the Legislature to examine which ones need to be continued. Sen. Don Betzold (DFL-Fridley) offered an amendment to change

the year in the bill to 2003 in make the date in the bill consistent with that of other councils. The amendment was adopted and the bill was approved as amended and placed on the Consent Calendar.

## State Government, Economic Development and the Judiciary Budget Division

### A.G. requests salary increases

Sen. Richard Cohen, chair of the State Government, Economic Development and the Judiciary Budget Division, presided over a meeting Thurs., Feb 8., to hear the budget request of the Attorney General's Office.

Attorney General Mike Hatch presented his office's budget and highlighted two major issues. First, he recommended technology spending of \$883,000 a year for the next biennium, a departure from the governor's recommendation of a one-time appropriation of \$1.027 million. A representative of the Finance Department said that technology spending for constitutional offices in the governor's budget was arrived at through a formula. Cohen said there seemed to be a certain amount of inequity in the administration's handling of technology budgeting since department's and agency's requests had been given more attention than those of constitutional offices.

The second major issue Hatch addressed is a salary initiative. He said his entire office has restructured and streamlined, reducing total staff by 80 people. The extra money created by the reductions, he said, needs to be redirected toward increasing the salaries of the remaining positions. The office's budget request includes over \$2 million a year for the initiative. He said that pay for attorneys of the state is no longer competitive with that of other public attorneys, including many city and county attorneys. He also said exit surveys have shown that the number one reason cited by attorneys leaving the Attorney General's Office is low salary. Sen. Jim Vickerman (DFL-Tracy) and Sen. David Johnson (DFL-Bloomington) agreed that competitive salaries are needed to retain good lawyers and protect the state's vital interests. Hatch highlighted specific cases where

vast fiscal economic interests of the state are seriously outmatched in court by opposing counsel's ability to spend significantly more for powerful legal teams.

Hatch also referred to two minor budget issues for his office. He said that, with funding, the Attorney General's Office might pursue anti-trust litigation pertaining to current airline mergers. He said the mergers are contrary to the state's interests. Another issue is the partnership contracts his office maintains in order to provide legal services to certain state agencies and departments. He said the contracts bind staff and resources and prevent his office as a whole from operating as efficiently as it would without the contracts. Sen. David Knutson (R-Burnsville) said he appreciates the desire for efficiency but is nonetheless concerned about preserving the control and accountability that the contracts grant to the agencies and departments involved.

### Budget hearings continue

The State Government, Economic Development and the Judiciary Budget Division met again on Tues., Feb 13., to discuss the budgets of the Secretary of State's Office and the Department of Veterans Affairs.

Secretary of State Mary Kiffmeyer presented her budget, emphasizing that the office as a whole generates more revenue than it requests from the general fund. The office will raise approximately \$19 million in the next biennium through fees for business services, elections, and other filings. One area in which the office is requesting funding above the governor's recommendation is for the administration of filings related to the Revised Article 9 of the Uniform Commercial Code (UCC). Bert Black from the Secretary of State's Office explained that the UCC is a vital resource for borrowers and lenders alike, adding that a unified data system creates easier capital investing and improved competitiveness. He said the Legislature appropriated \$4 million in the last biennium to create the centralized statewide database for UCC information, which helps the office comply with the federal mandate for a two-day response for information requests. The system will be in place July 1 of this year, and the office's change item of \$2.2 million for FY 02-03 is for continued administration of this service. Kiffmeyer emphasized that,

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through fees associated with usage of the information, the revenue generated each year will exceed the funding requested.

Sen. Jim Vickerman (DFL-Tracy) said that, as a farmer, he knows that quick response to UCC requests is critical because decisions involving large amounts of money often have to be made within a very short time frame. Sen. James Metzen (DFL-South St. Paul) agreed with the merits of the change request and said "It troubles me that the governor is not on board on this."

The other budget presentation heard at the meeting was made by Kathy Schwartz and Michael Pugliese of the Department of Veterans Affairs. Pugliese highlighted the federal dollars paid to Minnesota veterans, adding that 44 percent of department expenditures are for direct payments to individuals. He also emphasized the department's participation in the governor's challenge pool, which means expenditures were cut to fund

technology initiatives. Areas targeted for the combined reduction of \$218,000 a year are the Bronze Star marker program, County Veterans Service Office (CVSO) grants, and the support provided to the Vinland National Center. Vickerman and Metzen both objected strongly to the CVSO and Vinland cuts. "We've got a surplus and we're nickel-and -dime a few veterans," Vickerman said. Pugliese said the department struggled with finding cuts, but included Vinland, for example, because the cut only affects a few people a year and, thus, has only a minor impact. "Unless," said Metzen, "you're one of those people."

Jerry Seck of Vinland presented testimony on the programs offered there. He said the staff has a high success rate treating veterans, many of whom say "they had given up on life." Vickerman said that cutting funding to Vinland is contrary to the department's stated mission of serving homeless veterans, since it could have the

effect of actually making more veterans homeless.

Other budget areas highlighted by Pugliese were an increase in individual educational grants, the statutory expiration of a Persian Gulf Bonus program, and the funding of the state veterans cemetery in Little Falls.

## State Auditor presents budget

The Office of the State Auditor presented its budget request to the State Government, Economic Development and the Judiciary Budget Division Weds., Feb. 14. Chair Richard Cohen (DFL-St. Paul) presided. Representatives of Minnesota Technology, Inc., also presented a budget request.

Deputy State Auditor Jennifer Mohlenhoff gave an overview of the office and said that fees and reimbursements are projected to return 74 percent of the state appropriation for the biennium.



Senators Jane Ranum and Sheila Kiscaden confer in the Senate Chamber during floor session Thurs., Feb. 15.

Photo by David J. Oakes

Virginia Davis, finance director for the office, discussed four staffing initiatives that comprise a request of \$939,000 over the base for the biennium. The first initiative is to establish a human resources director for the office's 145 full-time-equivalent employees. Mohlenhoff said they currently only have one human resources employee even though recommended human resources staffing ratios suggest they should have at least two. A second staffing initiative creates a technology position within the office to provide more consistent and efficient network support to the office's operations.

The other two initiatives create positions for auditors to handle specific kinds of audits. There is an initiative for a team to perform petition audits, which are audits requested by citizens or units of government that do not fall in the auditor's usual rotation. Davis said that petition audits cannot currently be expedited as quickly as they should be because the office typically has a full calendar when a petition request comes in. The other audit-specific initiative creates positions to monitor funeral trust accounts. Mohlenhoff said there is a rapidly growing trend toward pre-arrangement and pre-payment of funeral services, with increasing numbers of dollars, people, and business entities involved in these funds. She said the state's responsibility for oversight of the trust funds and for the protection of consumer interests requires special training and knowledge.

Jacques Koppel, president of Minnesota Technology, Inc., presented a budget that shows a decrease in the proportion of the budget supplied by state appropriations. He said the governor is not recommending renewing funding for a number of programs, including Project Innovation, the Natural Resources Research Institute, and the Cold Weather Research Institute in International Falls. Koppel also highlighted a major initiative on the part of the agency. He said that, over the next biennium, there will be an investment of \$3 million on a matching-funds basis to support the development of industry technology clusters. He emphasized that the agency is using reserves for the initiative and requests no new state dollars to support it. Cohen asked if there are enough industries interested in a cluster approach to technology development. Koppel said they already are receiving initial support for the initiative from some

biotech, life science, wireless, and energy companies.

## Income and Sales Tax Budget Division

### Tax bills considered

The Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Tues., Feb. 13, and discussed 11 bills. The division laid over all the bills until the consideration of the omnibus tax bill.

Sen. Dean Johnson (DFL-Willmar) sponsored S.F. 35, which provides a tax exemption for machines used in greenhouses. Ed Lynde, owner of Lynde Greenhouse and Nursery, said that machinery used in nursery stock should have the same tax consideration as agricultural equipment. "The Department of Revenue agrees that it is an oversight in the language of the law," he said. "Treat us like any other manufacturers in the state."

Two bills concerning tax subtractions were heard. First, S.F. 533, authored by Sen. Steve Kelley (DFL-Hopkins) allows a subtraction for the purchase of musical instruments used in schools. "The rental of music instruments are eligible for tax credit," he said. "This bill proposes that both the purchase and the rental of musical instruments are eligible so long as they are used in schools."

Second, S.F. 17, sponsored by Sen. Charles Wiger (DFL-North St. Paul), increases the initial subtraction base amounts for the taxed income of elderly and disabled from \$12,000 to \$20,000 for married taxpayers filing jointly, \$9,600 to \$16,000 for single taxpayers and \$6,000 to \$10,000 for a married taxpayer filing separately. The Department of Revenue predicts the increase will result in \$6.3 million loss in revenue.

The committee discussed three tax credit bills. S.F. 89, sponsored by Sen. Cal Larson (R-Fergus Falls), increases the long-term care insurance credit from \$100 to \$500. The bill is identical to S.F. 477, sponsored by Sen. Dave Kleis (R-St. Cloud). Larson said that only 4 percent of people eligible for long-term care insurance in Minnesota have it, whereas the national average is 15 percent. "Minnesota must provide a meaningful incentive for the public to take care of its responsibility for long-term care needs," he said. Mike Farley, an actuary with Alliance Insurance,

said that long-term care insurance plans provide customers with the option of applying their policies toward in-home care as well as nursing home costs.

S.F. 169, authored by Sen. Sandra Pappas (DFL-St. Paul), provides tax credits for the restoration of buildings on the National Register of Historic Places or certified under the National Historic Preservation Act of 1966. Bob Frame, executive director of the Preservation Alliance of Minnesota, said the cost of historic preservation is the main obstacle for restoration. He said that although the bill causes a loss of revenue for the state, it is a wise investment. One building in Minnesota, he said, received a \$4 million federal tax credit and resulted in a restoration costing more than \$30 million. Betzold said the complete cost of the tax credit is uncertain because there is no cap on the amount of the credit.

Sen. Kenric Scheevel (R-Preston) presented S.F. 529, which excludes some long-term capital gains to be exempted from taxation. Scheevel said, "Many states provide partial exclusion or some kind of exemption for capital gains income." According to Scheevel, more than half of income tax returns that claim capital gains were from households earning less than \$50,000. V.V. Chari, economics professor from the University of Minnesota, said that capital gains taxes created a triple-tax system. He provided an example of a drug company that produces a new drug. The drug is taxed, the income of the company is taxed and the investment of stockholders is taxed, he said. According to Chari, the capital gains tax break encourages taxpayers to file capital gains tax more often, stimulates capital investments and eventually makes up for the initial loss of revenue. "It's win-win-win for taxpayers and ultimately even for the government," he said.

Betzold and Sen. Clair Robling (DFL-Prior Lake) both introduced bills that exempt military incomes earned by personnel outside of the state. Betzold authored S.F. 72, which includes a \$5,000 cap on the exemption; Robling sponsored S.F. 267, which does not have a cap. Mary Jacobson said her son, who is in the air force and stationed in Texas, earns \$2,000 per month and pays \$98 dollars a month in Minnesota taxes. "He doesn't want to change residency because these are his roots," she said. "But he simply cannot afford to remain a Minnesota resident."

# Committee roster

She said, he will have to change his residency to a state where he would not have to pay taxes. According to the Department of Revenue, 7,400 military personnel would benefit from the exemptions.

Sen. Arlene Lesewski (R-Marshall) offered S.F. 316, providing tax subtraction for military pensions. She said, "Minnesota is 1 of 9 states that tax 100 percent of military retirement money." She said the bill exempts the first \$10,000 of military retirement money from income tax. "I come from Southwest Minnesota where there are a lot of military retirees to whom this tax break would mean the difference between paying for food on the table and paying for prescription drugs," she said.

Sen. John Marty (DFL-Roseville) presented S.F. 238, which creates a check-off on income tax returns that allows filers to donate \$1 to organ donor education programs. According to the Department of Revenue, the check-off will raise \$73,000 in FY 02. Kathy Bakkenist, chief operating officer for Life Source, Inc., said that lack of education is the primary reason people do not donate organs. She said that 16 people die each day due to a lack of transplants.

Marty said that putting a check-off on the return is an educational initiative even if no one chooses to donate money because taxpayers would become aware of the need for organ donors through filing their taxes.

## Property Tax Budget Division

### Reform responses heard

The Property Tax Budget Division met Weds., Feb. 14, to hear further responses to the governor's proposed property tax reforms. Testimony focused primarily on the effects of the proposal on non-profit organizations, a theme carried over from the previous meeting. Other issues that arose included local government aid and affordable housing.

Pat Lynch, a representative of the YMCA, said the proposal allows cities to impose a payment-in-lieu-of-tax on some, but not all, of Minnesota's non-profit organizations. According to Lynch, 11 percent of such organizations could be charged for so-called "essential services" by cities that provide such services. However, she said, those cities are already asking

organizations such as the YMCA to take on an increasing load of community activity. In some cities, like Red Wing and Worthington, Lynch said, her organization is wholly responsible for the operation of local parks and recreation facilities, but receives absolutely no tax support for that work. If the governor's proposal were to pass in its current form, she said, non-profits would have to divert crucial funds to new staff whose sole responsibility would be compliance with new tax issues.

Sen. Edward Oliver (R-Deephaven) queried Lynch about other ways cities could collect the fee. The proposal currently utilizes a formula based on the market value of the property, he noted. However, would the YMCA be more comfortable with a per-use fee or a fee based on the square footage of property, he asked. Lynch said that a per-use basis would be better for her organization. Local directors, she said, had informed her that they rarely called 911. However, she maintained that any fee for such vital services blurs the line between public and private and between for-profit and non-profit organizations. "We believe that we earn our tax exempt status every day with the services we provide to communities," she said.

Lynch was asked about the services the YMCA provides to communities by Sen. Leo Foley (DFL-Coon Rapids). Foley said that one of the contentions of the proposal's proponents is that her organization is in direct competition with for-profit health clubs and that it is unfair for the YMCA to be tax-exempt when the private entities must pay property taxes. The YMCA, she said, is not a new competitor to private fitness clubs; rather it has been in Minnesota for 150 years. The YMCA also offers a multitude of other services—including child care, handling court referrals, and parenting classes—that are part of the greater mission of the organization, Lynch said. "Show me the programs that [private clubs] offer that we offer," she said, and then a comparison can be made.

Jon Pratt and Marcia Avner, who both represented the Minnesota Council of Non-Profits, echoed many of Lynch's comments. Minnesota leads the nation in charitable giving, Pratt said, and it should be a state goal to continue that status. Americans give to charitable organizations, he said, because they know that their contributions go to the needy and not to taxes or huge operating expenses. "Histori-

cally, we haven't taxed one public benefit activity to fund another public benefit activity," Pratt said. Avner responded to further questioning from Oliver that mirrored the questions he posed to Lynch. Avner said that any fee charged a non-profit for other public services violates the social contract that has been erected in America. Non-profits, she said, must be recognized as serving a vital function and thus must occupy a special place in society. The committee also heard from representative of other non-profit organizations who said that the proposed fees would cause a strain in charitable action in Minnesota and create a possible decline in services.

Several elements of the reform proposal will benefit cities, said Gary Carlson. Carlson, testifying on behalf of the League of Minnesota Cities, said that his organization appreciates the effort that the proposal represents but isn't ready to take a specific position on the total package. However, Carlson said, the League does applaud three of the proposal's measures: the sales tax exemption for local governments, the modest acceleration of state aid payments, and eliminating the requirement for Truth-in-Taxation hearings if levy increases are less than the rate of inflation. Nonetheless, his organization does have two major concerns, he said. The elimination of the Homestead Agricultural Credit Aid system will contribute to an increase in property taxes, as will the restructuring of local government aid, Carlson said. Second, a reduction in tax revenues and state aid to tax increment financing districts creates a significant gap between need and available funding; such a gap places pressure on local property taxes, he said.

Rachel Callanan of the Minnesota Housing Partnership and Cathy Strobel of Minneapolis Family and Children's Services discussed the impact of the property tax reform proposal on affordable housing. Callanan said that the proposal does not directly decrease rents and does not provide immediate relief to renters. Any production of new rental facilities, she said, would occur in the long-term and would likely be outside of the "affordable housing" classification. Callanan said that her organization supports a property tax refund for renters, which would be the most immediate method of relief possible. Both Callanan and Strobel also supported expanding a program that encourages

rental property owners to rent units at an affordable rate.

## Telecommunications, Energy and Utilities

### Telecom bill reviewed

Members of the Telecommunications, Energy and Utilities Committee met Tues., Feb. 13, to hear the second half of an overview concerning the administration's proposal to regulate the telecom industry in Minnesota. Dept. of Commerce Deputy Commissioner Tony Mendoza presented the report. He began by defining "essential services" provided for under the bill, S.F. 554, carried by Sen. Steve Kelley (DFL-Hopkins). The only essential service listed that is not yet available is toll-free Internet access, according to Mendoza. He said the plan calls for a system of universal service funding that includes a five percent excise tax on all interstate telecom revenue—wireline, cable, wireless and satellite. The system replaces the present system of hidden access charges and treats all carriers the same, he said.

Sen. Mark Ourada (R-Buffalo) said he was concerned that the proposed system encourages "cherry picking" and subsequent increases in costs to consumers. Mendoza said that over time, technological innovations would make services less costly. He also said that long distance rates would decrease because providers currently charge access fees for long distance services that are often inflated and invisible to customers. Sen. Arlene Lesewski (R-Marshall) said that historically, towns in Greater Minnesota did not benefit from increased provider competition. She and Ourada said they did not think a system of explicit charges for services would be significantly different from the current implicit system of access charges. Sen. Anthony G. "Tony" Kinkel (DFL-Park Rapids) said he was not convinced that deregulation would be beneficial to consumers. The bill was laid over for further discussion.

## Transportation

### Panel hears 5 bills

Sen. Randy Kelly (DFL-St. Paul) convened the Transportation Committee Tues., Feb. 13, to hear testimony and discussion on five bills.

Sen. Sheila Kiscaden (R-Rochester) presented S. F. 297, appropriating money for the Midwest Regional Rail Initiative (MWRRI). The bill appropriates \$11.5 million from the general fund, effective July 1, 2001, to the commissioner of transportation to complete preliminary engineering and environmental analysis activities for the 130-mile section of Minnesota's corridor. Kiscaden said that Illinois has appropriated \$70 million for state rail systems and Wisconsin has funded \$50 million and is in the process of acquiring right-of-way near Madison. Kelly asked what the project funding amount would be if the \$12 billion federal High Speed Investment Act is passed. Kiscaden said the act came very close to passing last year and thinks it has a good chance of passing this year. Further, she said, if passed, the act would fund between 50 and 80 percent of the initiative leaving funding needs at about 20 to 50 percent. She added that the system would be self-maintaining and would not require operational funding from the state. Sen. Mady Reiter (R-Shorview) said the Great Northern, and then Burlington Northern, couldn't make much money providing passenger rail service and asked, "Are we duplicating what Amtrak does?" Kiscaden said, "We are augmenting it." The bill was approved and referred to the Finance Committee.

S.F. 247 appropriates \$1.2 million for bus service between Rogers and Downtown Minneapolis. Chief author of the bill, Sen. Warren Limmer (R-Maple Grove) said the bill provides \$600,000 for the purchase of up to three buses, \$100,000 for a park-and-ride facility, and \$500,000 for two years of service operation. Natalio Diaz of the Met Council said that Maple Grove has been successful in providing services for Maple Grove but the service has grown beyond the boundaries of the taxing district.

The bill, said Limmer, is funding for a demonstration project. Robling successfully offered an amendment doubling the appropriation in the bill and adding Lakeville as a recipient of the additional funding. She said that Lakeville is encountering the same dilemma as Rogers. S. F. 247 was approved and re-referred to the Finance Committee.

Sen. Chuck Fowler (DFL-Fairmont) presented S. F. 230, allowing an exemption for ambulance services from motor

fuel taxation. O. J. Doyle, said that according to the Minnesota Ambulance Association, the bill would save approximately \$20,000 each year per ambulance. S. F. 230 was approved and sent to the Finance Committee.

Sen. Don Betzold (DFL-Fridley) presented S. F. 15, appropriating \$126,200 in each year of the biennium from the general fund for grants to the city of Osseo. The grants, he said, are for municipal street improvements and maintenance. Because Osseo's population is under 5,000, it does not qualify for state aid for municipalities, he said. The bill was approved and sent to the Finance Committee.

S. F. 146 was authored by Sen. Dean Johnson (DFL-Willmar). The bill appropriates money from the trunk highway fund to the commissioner of public safety to pay for the retention of the driver exam stations located mainly in Greater Minnesota. In addition, the bill funds service improvements of exam stations. S. F. 146 was amended to appropriate \$126,000 for driver exam stations. The bill advanced to the Finance Committee.

Driver and Vehicle Services Director Brian Lamb, from the Department of Public Safety presented an overview of his area of responsibility. The governor, said Lamb, recommends \$500,000 for the biennium to improve driver exam station operations. He said, presently, there are 94 exam stations but the department recommends consolidating some of the centers in Greater Minnesota and adding more regional test centers.

Lamb also addressed customer service. He said the department conducts 7 million transactions per year with Minnesota customers, more than any other part of the state government. He said DVS has improved customer service but aims to make further improvements. Last year it could take up to 65 days to get a driver's license exam appointment, Lamb said. Now, he said, it only takes 17 days, but the department wants to shorten the time to 5 days.

Last year vehicle registrations were received by customers 6 1/2 weeks after applications were submitted, he said, and now there is only a 1 1/2 week wait, he said. DVS continues to focus on customer needs and expectations, said Lamb, and aims to reduce wait times, improve access to service and increase customer options.

# Preview

## Monday, February 19

Senate will be in session at 11:30 a.m.

### E - 12 Education Budget Division

Chair: Sen. LeRoy Stumpf

1 p.m. Room 112 Capitol

**Agenda:** Special education bills.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 359-Kiscaden: Modifying licensing requirements for the Board of Chiropractic Examiners. S.F. 498-Higgins: Changing provisions in the medical assistance prepayment demonstration project. S.F. 574-Kelley, S.P.: Requiring home care providers to provide at least 15 days notice of service termination. S.F. 620-Ring: Requiring the commissioner of human services to place individuals names on graves at regional treatment centers. S.F. 633-Kiscaden: Amending the local intervention grant formula. S.F. 640-Sams: Rural health care initiatives. S.F. 678-Fredrickson: Establishing a rural hospital capital improvement grant and loan program.

### Higher Education Budget Division

Chair: Sen. Deanna Wiener

1 p.m. Room 107 Capitol

**Agenda:** Presentation of Minnesota State Colleges and Universities (MNSCU) budget request by Morrie Anderson, chancellor and Laura King, vice chancellor.

### Education Committee

Chair: Sen. Sandra Pappas

3 p.m. Room 123 Capitol

**Agenda:** S.F. 647-Rest: Resolution memorializing the President and Congress to carry through on their pledge to fund 40 percent of special education costs. S.F. 772-Schwab: Resolution memorializing Congress to authorize and appropriate 40 percent of the cost of special education. S.F. XXX-Robertson: Special education initiatives. S.F. XXX-Pappas: Special education articles of the Governor's administrative bill

## Tuesday, February 20

### Joint Senate Transportation Committee and House Transportation Policy Committee

Chair: Sen. Randy C. Kelly

8 a.m. Room 123 Capitol

**Agenda:** Congressman Jim Oberstar will discuss transportation issues. Marc Cutler from Cambridge Systematics will present the Minnesota Department of Transportation ramp meter study.

### Environment and Natural Resources Committee

Chair: Sen. Jane Krentz

10 a.m. Room 107 Capitol

**Agenda:** S.F. 70-Marty: Banning mercury thermometers. S.F. 212-Krentz: Requiring a risk evaluation for certain air and water quality standards. S.F. 379-Higgins: Requiring the Pollution Control Agency to provide emission information on their web site. S.F. 615-Krentz: Repeal of obsolete rules.

### State and Local Government Operations Committee

Chair: Sen. Jim Vickerman

1 p.m. Room 107 Capitol

**Agenda:** S.F. 9-Wiger: Authorizing city of Mahtomedi to provide housing assistance to get local daytime paramedic service. S.F. 741-Orfield: Authorizing disaster volunteer leave for Hennepin County. S.F. 110-Vickerman: Prairieland Exposition Center.

### Telecommunications, Energy and Utilities Committee

Chair: Sen. James Metzger

2 p.m. Room 15 Capitol

**Agenda:** S.F. 554-Kelley S.P: Telecommunications restructuring.

### Income and Sales Tax Budget Division

Chair: Sen. Don Betzold

4 p.m. Room 318 Capitol

**Agenda:** Public testimony on the governor's sales tax proposals.

### State Government, Economic Development and the Judiciary Budget Division

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

**Agenda:** Budget overview: Children and family learning programs (Transitional housing and emergency services). Legislative Auditor's report on housing. Response

and budget overview: MN Housing Finance Agency.

### Transportation and Public Safety Budget Division

Chair: Sen. Dean E. Johnson

4 p.m. Room 112 Capitol

**Agenda:** Budget overview of the Metropolitan Council and the Department of Public Safety.

### Environment and Agriculture Budget Division

Chair: Sen. Leonard Price

4:30 p.m. Room 125 Capitol

**Agenda:** Department of Agriculture budget overview.

### Joint Senate Education/House Education Committees

Co-Chairs: Sen. Sandra Pappas and Rep.

Harry Mares

6 p.m. Room 200 State Office Building

**Agenda:** Joint Hearing to meet and recommend University of Minnesota Board of Regent nominees to be presented to a Joint Convention of the Legislature.

## Wednesday, February 21

### Rules and Administration Subcommittee on Senate Information Systems

Chair: Sen. Leonard Price

8 a.m. 224 Capitol

**Agenda:** Annual review of existing policies and initial IT project requests.

### Agriculture, General Legislation and Veterans Affairs Committee

Chair: Sen. Steve Murphy

9 a.m. Room 107 Capitol

**Agenda:** S.F. 326-Vickerman: Requiring that diesel fuel sold in the state contain a minimum of five percent biodiesel fuel oil by weight.

### Crime Prevention Committee

Chair: Sen. Jane Ranum

9 a.m. Room 15 Capitol

**Agenda:** S.F. 197-Betzold: Felony for cruelty to animals. S.F. 221-Pappas: Imposing penalties for harming or killing service dogs.

### Jobs, Housing and Community Development

Chair: Sen. Ellen Anderson

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** Equity, general education and referendum bills.

### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** Senior prescription drug program overview, Minnesota Department of Human Services. S.F. 325-Sams: Raising the limit for the prescription drug program. S.F. 286-Samuelson: Expanding the eligibility for the prescription drug program. S.F. 721-Lourey: Increasing the income limit for the prescription drug program. S.F. 323-Kiscaden: Raising the limit for the prescription drug program.

### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Continued presentation of Minnesota State Colleges and Universities (MNSCU) budget request by Morrie Anderson, chancellor and Laura King, vice chancellor.

### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Department of Agriculture budget overview.

### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed: Public Defense Board. Public testimony will be taken on the governor's budget for health and corrections.

### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*

4 p.m. Room 318 Capitol

**Agenda:** Continuation of public testimony.

### **Property Tax Budget Division**

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** Alternative to the governor's property tax proposal by John James and Lee Ronning, executive director of 1000 Friends of Minnesota.

### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning: Government training services and the Department of Employee Relations.

### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Presentation of the Highway Construction Industry Council's 2001 Needs Assessment Study.

## **Thursday, February 22**

### **Rules and Administration Subcommittee on Permanent and Joint Rules**

*Chair: Sen. John Hottinger*

8 a.m. Room 107 Capitol

**Agenda:** Continuation of work on Permanent Rules of the Senate.

### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session Room 112 Capitol

**Agenda:** To be announced.

**Senate will be in session at 9:30 a.m.**

### **Environment and Natural Resources Subcommittee on Fish and Wildlife**

*Chair: Sen. Anthony G. "Tony" Kinkel*

10 a.m. Room 107 Capitol

**Agenda:** S.F. 222-Krentz: Establishing penalties for violation of gross over limit game and fish laws.

### **Judiciary Committee**

*Chair: Sen. John Marty*

10 a.m. or immediately following Session Room 15 Capitol

**Agenda:** S.F. 333-Kelley, S.P.: Veterinary medicine board complaint review cease and desist orders issuance authority. S.F. 673-Larson: Mental health treatment facilities medication administration liability limit. S.F. 317-Cohen: Constitution amendment for equal rights for men and women.

### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 407-Pappas: State building code for rehabilitation of historic structures. S.F. 408-Pappas: Historic preservation grant program. S.F. 453-Larson: Exemption to the bleacher safety law. S.F. 433-Ring: Township contracts.

### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

4 p.m.

**Agenda:** Tour of the Science Museum of Minnesota.

### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning: Tax Court and the Uniform Laws Commission.

### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** S.F. 152-Johnson, Dean: State Patrol Trooper Academy funding bill. S.F. 118-Foley: Lowering per se alcohol concentration level for impairment offenses from .10 to .08. Budget overview of the P.O.S.T. Board.

## **Friday, February 23**

### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 75-Johnson, Dean: Appropriating money for drug task force education measures. S.F. 756-Kelly: Authorizing federal law enforcement officers to exercise their arrest authority in this state. S.F. 719-Lourey: Creating exception from criminal rehab provisions for EMS personnel. S.F. 711-Foley: Modifying the school trespass law. S.F. 773-Chaudhary: Requiring a study on electronic alcohol monitoring. S.F. 161-Berglin: Appropriating money for grants related to restorative justice programs.

### **Jobs, Housing and Community Development**

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*Sunlight filters into a third floor corridor on the north side of the Capitol rotunda.*

*Photo by David J. Oakes*



February 23, 2001

# Senate Highlights

## Support for steel industry passed

The Senate passed two Consent Calendar bills in floor session Mon., Feb. 19. Bills on the Consent Calendar are considered to be noncontroversial. S.F. 258, authored by Sen. David Tomassoni (DFL-Chisholm), is a resolution requesting the federal government ban the import of certain steel products. Tomassoni said the bill addresses a crisis in the steel industry by asking the federal government to take action against countries whose steel imports don't comply with international trade agreements. According to Tomassoni, some imported steel is being sold at less than production cost. He said, "American steel can't compete if rules aren't fair." The bill passed 60-1.

S.F. 319, authored by Sen. Roger Moe (DFL-Erskine), amends the process for discharging judgments against bankruptcy debtors. The bill allows a discharge order to be served on each judgment creditor through certified mail. Moe said this provides an alternative to the original method, in which the discharge is served similar to the way a summons is served in a civil action. The original process is expensive and burdensome to local officials, according to Moe. The bill passed 61-0.

Members also met Thurs., Feb. 22, and granted final passage to another bill on the Consent Calendar. S.F. 400, authored by Sen. Bob Kierlin (R-Winona), authorizes the town of Hokah, in Houston County, to vacate a road in an emergency situation.

## Biodiesel bill advanced

The Agriculture, General Legislation and Veterans Affairs committee advanced the biodiesel bill, S.F. 326, Weds., Feb. 21, after hearing arguments from opponents of the bill. The bill, authored by Sen. Jim Vickerman (DFL-Tracy), mandates that all diesel fuel offered for sale in Minnesota contain at least 2 percent biodiesel fuel oil beginning July 1, 2002 and 5 percent after July 1, 2006. Committee Chair Steve Murphy (DFL-Red Wing) presided at the hearing.

Bill Frank, vice president of the Minnesota Truckers Association, presented the industry's viewpoint on the bill. Frank said, "This bill scares those of us in the trucking industry who are struggling every day to keep our heads above water." He mentioned three main areas of concern. The first involves performance. The industry, Frank said, is worried that soy diesel will gel at cold temperatures. Vehicle dependability is crucial for

truckers who drive on tight schedules, he said. In addition, engine manufacturers' warranties may not apply when soy diesel is used, he said.

A second concern is the cost of soy diesel, Frank said. Fuel costs have risen as much as 50 cents per gallon in the past year, he said, and trucking companies are paying more for fleet insurance and driver wages. Soy diesel will cost at least one cent more per gallon, according to Frank.

Thirdly, Frank said, the trucking industry is concerned about infrastructure and science. The industry is not convinced that producers can supply enough soy diesel, he said. He also called for more testing in real life situations. Frank concluded, "Truckers need farmers and farmers need truckers. But there are many questions we would like answered about the impact of soy diesel. Our company is not interested in paying for the privilege of being a test subject."

Sen. Steve Dille (R-Dassel) asked what facts back up Frank's comments about the gelling problem and the engine warranty issue. Frank said he has no data showing that soy diesel gels under real conditions and would like more research on the question. Murphy said engine manufacturers' web sites say they have found no problem with soy diesel and will not void warranties. Dan Thorman, president of the Truckers Association, said that manufacturers warranty the engine itself, but not substances introduced into it.

Sen. Kenric Scheevel (R-Preston) addressed the cost issue, saying the trucking industry would be wise to invest in fuel from Minnesota farmers rather than remain at the mercy of OPEC. Frank said he supports the idea of alternative fuel, but only if it is proven to work.

Jerry Schoenfeld of Minnesota Soybean Growers spoke on soy diesel production capacity. He cited a new federal program that provides a subsidy for producers of new fuel, and said that 12 producers across the nation have been approved for an increase in biodiesel production. Schoenfeld said, "We can pretty much guarantee that if the demand is here, the supply will be here." Thorman said he has a hard time believing that adequate soy diesel will be produced by the time the mandate takes effect.

Sen. Charles Berg (R-Chokio) offered an amendment adding the words "if available" to the mandate on using a soy

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diesel mix. Scheevel expressed concern about who would determine whether enough biodiesel is available. Sen. Dallas Sams (DFL-Staples) said going ahead with the mandate gives producers an incentive to develop soy diesel production capabilities. Berg withdrew his amendment.

Sen. Twyla Ring (DFL-North Branch) asked if the trucking industry has an alternative method to meet upcoming EPA requirements about sulfur content in fuel. Thorman said he isn't convinced that soy diesel meets EPA requirements, and Murphy replied that a 20 percent soy diesel mix was certified by the federal government as meeting the new standards. Scheevel pointed out that soy diesel replaces some of the lubricity that will be lost in a switch to low sulfur fuels. He said, "The trucking industry is facing an obstacle. Can we turn that obstacle into an opportunity?"

Finally, Vickerman spoke for his bill, pointing out that soy diesel reduces carbon monoxide, ozone and particulate matter emissions. He concluded, "There'll be hardly any farmers left unless we try some way to increase their income." The bill was approved and re-referred to the Environment and Natural Resources Committee.

## DWI felony bill advanced

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Feb. 16, to consider two DWI bills and the CriMNet proposal.

Sen. David Johnson (DFL-Bloomington) presented S.F. 264, a bill that creates the DWI felony penalty—a statutory maximum penalty of 7 years imprisonment and/or \$14,000 fine—and classifies it as first-degree driving while impaired offense.

Keith Carlson spoke for the Metropolitan Inter-County Association. He said counties approve the latest version of the bill since it no longer requires a 180-day sentence in county facilities by offenders whose sentences are stayed. Under the bill, the probation period is reduced from up to 10 years to 5 years and offenders who violate terms of probation do not serve one-year sentences at county facilities. Carlson said that without the changes, the compound effect of instituting the felony DWI penalty along with the measure to lower the DWI blood alcohol level to .08 would overly stress county facilities, which are already operating at 110 percent

capacity. Johnson said it was difficult to quantify the cost of recycling DWI offenders through the system time and again—and he hoped the treatment provision would save long-term dollars for all units of government.

Sen. Thomas Neuville (R-Northfield) offered an amendment that "goes back to counting prior convictions, rather than incidents," and does not mandate that a particular sentence be imposed. Neuville said he did not like the 10-year look-back and he trusted that judges would apply appropriate sentences. He said his amendment has an aggravating factor clause to assure that egregious offenders do not receive the lightest penalties.

Sen. Linda Berglin (DFL-Mpls.) said she did not believe Neuville's amendment would get more offenders into treatment. "I think judges already send offenders into treatment on DWI's that are prior to a fourth offense," she said. Neuville said that because his amendment requires prior convictions, more of the targeted offenders get into treatment. Sen. Jane Krentz (DFL-May Township) said that bargaining down is not what they intended to do with the measure. Following lengthy discussion, Neuville's amendment was not adopted.

Sen. Randy Kelly (DFL-St. Paul) offered an amendment to delete language in the mandatory sentencing clause that allows the commissioner of corrections the discretion to release offenders before completion of their terms of imprisonment in specified instances. His amendment was adopted. Members made the recommendation that the bill pass as amended and be referred to the Finance Committee.

Ranum offered an amendment to S.F. 38, a measure she sponsored. She said the amendment shifts dollars and appropriates \$1 million to fund collaboration between the courts and the Dept. of Public Safety (DPS). The bill itself makes provisions for the second installment of the integrated criminal justice information network, known as CriMNet. Ranum said her amendment addresses issues brought up at the last meeting related to appropriations. Under the bill, \$26 million is appropriated from the general fund to the Chief Justice of the Supreme Court. Of that, \$20 million is for the continued redevelopment of the court information system to be used by all counties to integrate court information with other criminal justice information; \$2 million is for 8 positions to support the criminal justice and

juvenile justice information policy group; and \$4 million is appropriated for the planning, development and implementation of the system backbone, consistent with CriMNet architecture.

Ranum's amendment responds to concerns expressed by DPS Commissioner Charlie Weaver, who said earlier that the project backbone belongs with either DPS or the technology department of the Dept. of Administration. The amendment changes the \$26 million appropriation to \$25 million. The \$2 million provision for 8 positions to support the policy group is amended to \$1 million for 4 positions, of which 3 are from the executive branch and 1 from the court. The amendment requires that the chief justice may use the money appropriated only after the commissioners of public safety and administration approve of its use. The provision specifies project management techniques that must be applied. Another provision changes the \$14 million appropriation to the Bureau of Criminal Apprehension to \$15 million. The amendment was adopted and the bill was approved and re-referred to the Finance Committee.

Members also began discussion of a bill, S.F. 296, authored by Sen. John Marty (DFL-Roseville), to increase the tax on alcoholic beverages in order to fund efforts to reduce impaired driving offenses and to pay for chemical dependency prevention, injury and crime prevention. Marty said it is estimated that \$110 million will be gained annually through the tax. Following testimony for and against the bill, it was laid over for further consideration.

## Frequently called numbers

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# Committee update

## Crime Prevention

### Animal bills heard

Two bills related to cruelty to animals and a bill to increase alcohol taxes were debated at the Weds., Feb. 21 Crime Prevention Committee meeting.

Sen. Don Betzold (DFL-Fridley) carried S.F. 197, a bill that increases penalties for cruelty to pets or companion animals that results in great bodily harm or death. Under current law, the maximum penalty for cruelty to animals is a misdemeanor, which is often plea bargained down to a petty misdemeanor, Betzold said. The bill makes it a felony to cause death or great bodily harm to a pet or companion animal and sets a maximum sentence of 2 years imprisonment and/or a \$5,000 fine. A provision authorizes the court to require psychological or other counseling for offenders.

Betzold said that a different version of the bill had been passed during the last biennium. Minnesota has some of the weakest animal protection laws in the nation and the proposal brings the state in line with legislation passed in other states, Betzold said.

He told members that research has emphasized the correlation between cruelties inflicted on animals and violent behavior directed at humans. A report offered by Domestic Violence and Sexual Assault Prevention Director Rachel Bandy indicated that virtually all serial killers first abused animals. Animal abuse is so common in this type of criminal, the FBI's profiles for serial killers include histories of animal abuse, according to the report. Senior probation specialist Linda Halliday underscored the importance of recognizing that the relationship between violence toward animals is a primary indicator of future violence toward humans.

Sen. Thomas Neuville (R-Northfield) said he was not comfortable with the proportionality of the penalty created in the bill. Sen. Jane Ranum (DFL-Mpls.), who chairs the committee, asked senate counsel to speak to the issue of proportionality with respect to crimes against people. Counsel said that there were stricter penalties in place for bodily harm felonies perpetrated against humans. Members voted to approve the bill and advance it to the floor.

Sen. Sandra Pappas (DFL-St. Paul) presented SF. 221, a bill that amends the penalty laws related to the regulation of

dangerous dogs. The bill requires registration for dangerous or destructive dogs and makes it a misdemeanor offense to remove a microchip from a dangerous, destructive, potentially dangerous or potentially destructive dog—designations determined by an animal control authority. Another provision makes the owner of a dog guilty of a misdemeanor if the dog kills or without provocation causes substantial or great bodily harm to a service dog.

An author's amendment was adopted to allow a letter of credit as an alternative to the requirement that owners of dangerous dogs must purchase a surety bond or a policy of liability insurance at a minimum of \$50,000, payable to any person injured by a dangerous dog. Another amendment was adopted to define terms and set a criminal misdemeanor penalty for dog owners who negligently or intentionally permit their dog to run uncontrolled off the owner's property, or fail to keep the dog properly confined. Under the amendment, a civil liability clause makes dog owners liable to the person or organization who paid for the training of a service dog when the owner's dog kills or causes substantial or great bodily harm to a service dog. The bill was approved as amended and advanced to the Judiciary Committee.

Sen. John Marty (DFL-Roseville) sponsored SF. 296. The bill increases the tax on alcoholic beverages in order to fund impaired driving and chemical dependency initiatives outlined in the bill. Marty said the state spends an estimated \$1.4 billion per year on treatment, healthcare, criminal justice and other costs related to alcohol use. He said his bill represents a "balanced approach to provide funding, paid for by those who consume the product."

Under the bill, courts must order a person to submit to the level of care recommended in the chemical use assessment in prescribed situations. Marty said the bill requires that chemical dependency assessments be conducted at the earliest time possible, preferably while the offender is being initially held in custody after arrest. An assessment report must be sent to the commissioner of public safety.

Sen. Randy Kelly (DFL-St. Paul) said he had concerns that the bill encourages those in the beer industry to move their operations to Wisconsin or other states with lower tax rates. Sen. Jane Krentz

(DFL-May Township) said that the monetary issues should be addressed in the Finance Committee. Sen. Warren Limmer (R-Maple Grove) offered an amendment to delete all dollar amounts listed in the bill. The amendment was adopted and the bill was approved and advanced to the Health and Family Security Committee.

## Education

### Special ed bills heard

Members of the Education Committee, chaired by Sen. Sandra Pappas (DFL-St. Paul) met Mon., Feb. 19, to consider three bills dealing with special education funding.

Sen. Ann Rest (DFL-New Hope), authored S. F. 647, a resolution memorializing the President and Congress to back their pledge to fund 40 percent of special education costs. Sen. Martha Robertson (R-Minnetonka) said \$2 to \$3 million would come to the state if the federal government was compliant with the 40 percent pledge. Sen. Gen Olson (R-Minnetrista) said, "It's time the federal government appropriates with no strings attached, particularly to states that are in high compliance relating to special education requirements." The measure was laid over for further work.

S. F. 866, sponsored by Pappas, contains the article of the governor's administrative bill relating to the maltreatment of minors and special education for individuals with disabilities. The measure clarifies several provisions dealing with the reporting and investigation of alleged maltreatment of minors by specifying that the Dept. of Children, Families, and Learning must be provided with education data when it is requested in the investigation of a report of maltreatment by a school employee. In addition, the language clarifies that the department must be provided with personnel data about the employee alleged to have engaged in maltreatment when it is requested.

Several additional clarifications are made in order to allow the department to fulfill a legislative mandate to assess and investigate reports of maltreatment. Pappas said the more substantive changes are needed to reflect the different role the department fills in relation to local social service agencies, to address the noncompliance by schools in providing information needed for the department to investigate reports and to clarify some of the proce-

dures outlined in the law to fit the department's investigative role.

Other provisions in the bill deal with special education. The measure requires school districts to implement procedures for the accurate and timely transfer of educational records within the 10 day limit imposed by statute, authorizes the commissioner to grant a nonrenewable, 2-year certificate to a school district on behalf of oral or cued speech transliterators, requires a school hiring authority to request a criminal history background check once every 5 years, adds a member of the Minnesota Administrators of Special Education to the State Inter-agency Committee, and clarifies the responsibilities of school and county boards in the Interagency Service System. Other provisions eliminate a restriction on hearing review officer qualifications, repeal an obsolete provision relating to agreements between school districts to provide special instruction services and update references to federal law. The measure also specifies the entities that are to be considered care and treatment facilities and clarifies the scope of the department's authority in the statute that directs the commissioner to approve programs in care and treatment facilities for placement of children without disabilities. Finally, the measure also includes "cultural liaisons" in the definition of essential personnel for special education revenue and updates a provision that specifies the procedure for deducting other revenue when calculating the contracted services portion of special education base revenue.

The committee adopted an amendment, offered by Robertson, providing that essential personnel may also include special education paraprofessionals or clericals providing support to teachers and student. No formal action was taken on the measure.

Members also considered a proposal, sponsored by Robertson, that appropriates \$500,000 to expand the website for the Individual Family Service Plan (IFSP) and the Individual Inter-agency Intervention Program (IIIP). The bill pulls the special education piece out of the Department of Children, Families and Learning policy bill and attempts to reduce paperwork. The proposal also provides flexibility to access third party payers and addresses case load issues for special education teachers. Robertson said the Individuals with

Disabilities Education Act (IDEA) allows for a comparison of rules and regulations requirements and an opportunity to proactively address any disparities that may be found and this proposal would address the same issues at the state level. The proposal will be considered during omnibus bill discussions.

### **U of M regent candidates chosen**

After a 5-hour meeting and 14 ballots, a joint meeting of the House and Senate Education Committees, Tues., Feb. 20, selected candidate recommendations for the open University of Minnesota Regent seats. Representative Harry Mares (R-White Bear Lake) and Sen. Sandra Pappas (DFL-St. Paul) chaired the meeting.

Chosen for recommendation were one student representative, a candidate for the Fifth Congressional District seat, and candidates for three at-large seats. Twelve nominees appeared before the joint committee and the first to win nomination was Michael O'Keefe, Minnesota commissioner of human services. He won the committee's recommendation to the Fifth Congressional District seat a 45-23 vote. In a statement to the joint committee, he said, "As a U of M regent, I am seeking a second term because the U of M is essential to our quality of life." He also said, "There is no conflict of interest. My job has not compromised my affiliation with the University of Minnesota."

Minnesota AFL-CIO Representative Ray Waldron, a late applicant to the selection process, said that he would bring accountability and a good management style to the University, as well as credibility and good common sense. He also said he represents working people and their children. After four ballots, Waldron won the committee's recommendation to fill the late William Peterson's, four-year term. Richard "Pinky" McNamara, an entrepreneur, alumnus and former athlete of the University of Minnesota won recommendation to the Board of Regents. He said, "The University changed my life and contributed to the success I've had." McNamara ran unsuccessfully six years ago but now replaces incumbent regent Warren Larson. Patricia Spence, who is seeking a second term, also won recommendation by the joint committee. Spence said she offers proven leadership, experience and a devotion to service. She also said, "Keeping the University affordable is one of my key goals."

University of Minnesota-Morris student Amy Bos won the six-year student representative position. Bos graduates with a political science degree this spring and has just been accepted, at the Twin Cities campus, to work on her doctorate.

A joint convention of the House and Senate will vote on the regent recommendations Mon., Feb. 26.

### **Inter-active hearing held**

Sen. Satveer Chaudhary (DFL-Fridley) called the Education Subcommittee on Technology to order on Tues., Feb. 21, for a historical technology event at the Capitol. An interactive meeting was held between the committee and two Minnesota Education Telecommunications Council (METC) members. International Falls School Superintendent John Fredricksen and Leo Morgan, assistant director of Instructional Technology ITV Services in Bemidji, spoke to the committee via ITV. Chaudhary said, "This is the first time the Legislature has held a hearing by ITV."

Morgan said the Learning Network of Minnesota provides access to education programs and library resources through telecommunications technology. He said, "The network is using new technologies that best meet educational needs, such as web-based learning, multi-media communication, desktop video and IP telephony." All Minnesotans, said Morgan, now have access to the network through public libraries, K-12 school districts and colleges.

The network is financed through state appropriations and reallocation of local resources, he said, and funding is allocated directly to school districts. The Telecommunications Access Revenue Program (TARP) was the funding source for \$18 million that was allocated in FY 01 for technology, he said.

Fredricksen said, "The program has made life better in International Falls." The library, he said, cannot afford the stacks and resources that are accessible through the telecommunications system. He said, "Minnesota is continually cited as being one of the top three states in education. We are leading in interactive technology, too."

Chaudhary asked if there is any correlation between the amount of financial aid awarded and student's costs for transportation and housing while at college, and ITV. Fredricksen said, "One

# Committee update

smart room reduces student cash needs, therefore, reducing financial aid needs.” Further, he said, “The technology systems and equipment are expensive but the user has savings through housing and travel.”

MnSCU representatives gave a demonstration of Minnesota Virtual University.

## E-12 Education Budget Division

### Special education highlighted

The E-12 Education Budget Division met Mon., Feb. 19, to hear three special education funding bills and a funding issues and cross-subsidy report by Tom Melcher, Department of Children Families and Learning. Chair Sen. LeRoy Stumpf (DFL-Thief River Falls) called the meeting to order.

Sen. Ann Rest (DFL-New Hope), authored S. F. 406, which, she said, is

identical to a bill, S. F. 573, authored by Sen. David Tomassoni (DFL-Chisholm). The bill provides 100 percent state funding for special education revenue. S. F. 818 and S. F. 538 authored by Sen. Martha Robertson (R-Minnetonka) and Sen. Michelle Fischbach (R-Paynesville), respectively, provide for special education cross-subsidy aid. Robertson said, “S. F. 406 and S. F. 818 are two different ways of approaching the same problem to get the same solution.” Rest said her bill has the same goal as Robertson’s bill but the appropriation amount is based on estimated costs not on costs for the prior two years.

Testimony was heard from Sue Abderholden from Coalition for Children with Disabilities, Burnsville Schools Superintendent Ben Kanninen, and Carter Christie, Burnsville Schools business manager. Abderholden said that Robertson’s bill proposes funding 100 percent of special education salaries, but

not benefits. “We believe the districts should be responsible for a small percentage of special education costs because it keeps them accountable,” she said. From the onset of federal special education funding, she said, Congress always intended for states to pay some percentage. “However,” she said, “there has been a 23 percent increase over last year in state special education funding.” Kanninen said the Association of Metro School Districts (AMSD) supports the bills being considered and recommends elimination of the cross-subsidy. He said that if the governor’s budget proposals are adopted, there will be a \$5 million disparity for the coming year. Christie said that a reduction in the cross-subsidy would be appreciated.

S. F. 406 and S. F. 818 were laid over for consideration and possible inclusion in the omnibus bill.

A presentation on special education, including a cross-subsidy report was given by Tom Melcher and Norena Hale of the



Mascots from the University of Minnesota campuses at Duluth, Morris and Crookston engage in mock football action in the Capitol rotunda Tues., Feb. 20, as students protested the governor’s higher education budget proposal.

Photo by Shelley Hawes

Department of Children, Families and Learning.

Hale said, "A child who has a disability that adversely affects his/her education performance is eligible for special education funds under IDEA (Individuals with Disabilities Education Act)." "That means they have a right to FAPE (free, appropriate public education), including all instruction and services identified in the child's IEP (Individual Education Plan) at no cost to parents," she said.

Hale also said that inflation and special education enrollment growth is driving costs up. However, she said, CFL is expecting a 27 percent increase, or \$110 million, in federal funding for special education next year. That figure, she said, only represents about 11 percent of the total costs for special education. IDEA authorizes Congress to appropriate up to 40 percent, said Hale. About 80 percent of IDEA federal funds for special education must go to districts, while up to 20 percent may be used for state set-asides, she said. Future priorities in special education, she said, are ensuring an ample supply of qualified teachers, reducing bias in the service system and making certain special education students have access to mental health services. Other aims are to create a coordinated service system across agency lines and provide transition from school to post secondary employment, she said.

Special education cross-subsidy projections with regard to expenditures and revenue was discussed by Melcher. He said an increase in special education of \$328.7 million from the FY 99 amount of \$856 million to FY 03 of \$1.184 billion will be realized. The increase translates to an average yearly escalation of about 8 percent, he said. Special education revenues, said Melcher, will grow from \$487 million in FY 99 to \$690.3 million in FY 03. The difference between revenues and expenditures leaves a shortfall in FY 03, he said, of about \$328.6 million in revenues. Excluding federal funding and expenditures, he said, the state funds 68 percent of special education salaries, 52 percent of contracted expenses and about 47 percent of supplies and equipment. Special education transportation is funded 100 percent, he said.

### **Changes address adequacy, equity**

Several bills proposing changes to school funding formulas were brought before the E-12 Education Budget Divi-

sion Weds., Feb. 21. Chair LeRoy Stumpf (DFL-Thief River Falls) presided over the meeting and welcomed testimony from administrators, parents, academics, and fellow Senators.

Sen. Steve Kelley (DFL-Hopkins) and Sen. Martha Robertson (R-Minnetonka) presented S.F. 253 on behalf of several school districts in the West Metro Area. The bill modifies the cap placed on referendum levy revenue in 1994, making the cap subject to inflationary increases and raising the maximum cap from 25 percent to 35 percent of the formula allowance. Alan Hopeman of the Wayzata School District said that schools above the statutory cap were frozen at their '94 referendum levels. Since then, he said, spending growth in schools in the West Metro has not been allowed to keep pace with the schools' needs. Dr. Barb Pulliam, superintendent for the St. Louis Park School District, and parents from St. Louis Park and Golden Valley all said that important needs are being unmet because of funding shortages created by the static cap. Kelley said that the Hopkins School District may have to make cuts of more than \$6 million based on the funding plans in the governor's budget.

Sen. Becky Lourey (DFL-Kerrick) and Sen. Julie Sabo (DFL-Mpls.) said that adjusting the cap increases disparity and leaves behind districts in which it is more difficult to pass a referendum levy. Sen. Jane Krentz (DFL-May Township) said the gains in equity created by the cap have actually been very small to date and she invited people giving testimony to stay for discussion of two bills, S.F. 467 and 468, that address funding disparities.

Kelley said that he has supported equity legislation and increases in funding for all districts. He and Robertson both emphasized, however, that the bill does not remove the referendum cap; it simply adjusts it to account for inflation. Sen. Kenric Scheevel (R-Preston) said that the state's responsibility to ensure a standard level of support needs to be balanced with the desire not to inhibit the choices of districts and residents who support them. "Why is the state telling property taxpayers that they can't pay more if they want to?" he asked. Sen. Gen Olson (R-Minnetrista) said the state has a long tradition of making efforts to address equity, adding that the bill is a reasonable way to allow some districts to maintain adequate operating support. Sen. David Tomassoni

(DFL-Chisholm) said one thing the discussion illustrates is that, based on the number and variety of schools decrying cuts they are having to make, the increase in school funding approved in the last biennium is still not enough to adequately address needs.

The bill was laid over and Stumpf moved the discussion on to equity-related bills.

Krentz, chief author of S.F. 467 and S.F. 468, introduced her bills with a brief overview of the topic of school funding equity. She defined horizontal, vertical, and taxpayer equity and highlighted the statutory obligation to review the equity issue annually. Her bills change key figures in the formulas used to calculate referendum equalization revenue and equity revenue. The first bill, S.F. 467, changes the referendum equalization allowance to \$750 beginning in FY 02; this is the amount multiplied by the resident marginal cost pupil units to arrive at a school's maximum referendum equalization revenue. The other bill, S.F. 468, changes, in the equity revenue formula, the base amount and the index multiplier to \$50 and \$150, respectively. Sen. Grace Schwab (R-Albert Lea) also introduced a bill, S.F. 452, that addresses equity revenue simply by changing the referendum equalization allowance multiplier to \$500 beginning in FY 03.

Sen. Dave Kleis (R-St. Cloud) also presented legislation to change the equity formulas. S.F. 522 changes the equity base and multiplier to \$25 and \$75, respectively. The bill shifts the upper level of the equity gap calculation to the 95th percentile and makes the comparison statewide instead of regional. Kleis said it also changes the application of the formula so that the process of calculating equity revenue no longer punishes schools who have difficulty passing a referendum.

Krentz said that a statewide equity consideration will not suffice because schools very close together in her district have vastly different funding levels. She also said that the original language is not intended to punish schools without referendums but to encourage all districts to at least try to pass them.

Chris Richardson, superintendent of schools in Osseo, and Brad Rundell from Schools for Equity in Education both said that differences in property wealth between districts make equalization critical to the fair funding of schools.

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Rundell said his organization recommends phasing in full equalization by 10 percent a year. Greg Vandal, a superintendent from Sauk Rapids, agreed with Richardson and Rundell that the excess levy is the primary culprit in funding disparities. He said the state needs to keep and improve existing remedies, adding that the governor's proposed funding plan will add to inequality. All of the equalization bills were laid over for further examination.

## Environment and Natural Resources

### MPCA funding problems heard

The Environment and Natural Resources Committee heard an overview of the Minnesota Pollution Control Agency (MPCA) legislative agenda Thurs., Feb. 15. The MPCA presented the steps it proposes to take to deal with declining revenues. Committee Chair Jane Krentz (DFL-May Township) presided.

Commissioner Karen Studders outlined general trends at the MPCA. Studders said the agency's mission is to help Minnesotans protect the environment. The agency now devotes more attention to individual non-point sources of pollution, rather than focusing on large point sources, Studders said, and is looking at pollution in a holistic sense that examines collective impact on air, water and land.

Assistant Commissioner Kristen Applegate said the agency's activities fall into the areas of regulation, education and leadership in pollution prevention. A recent survey of stakeholders and citizens, Applegate said, found that the highest-ranked environmental priorities are agricultural runoff, wastewater treatment, mobile sources of pollution and urban sprawl.

Chief Financial Officer Cathy Moeger then spoke on the budget dilemma facing the MPCA. She said the agency currently receives 13 percent of its funding from the general fund, 23 percent from federal funds, and 64 percent from fees, taxes and reimbursements. Inflation in the cost per full time employee equivalent has put a strain on the budget, Moeger said. In addition, she said, many federal grants are ending or being reduced because funding is being shifted toward states where environmental cleanup programs have not been as successful as in Minnesota. As a

result, Moeger said, the agency is forced to eliminate and cut back a number of its programs and cut 70 of its 793 current staff positions.

The MPCA is also proposing an environmental tax reform, Moeger said. She explained that since the 1980s, MPCA funding has come primarily from fees and taxes based on the "polluter pays" principle. However, Moeger continued, this principle has turned out to be impractical, since business and industry now pay for 98 percent of clean air programs, even though 57 percent of air pollution comes from mobile sources. Under the reform proposal, several separate funds will be combined into the environmental fund, giving the agency more flexibility in reallocating money to high priority programs. The water quality and hazardous waste fees will be eliminated.

Applegate also discussed the expansion of the expedited permit program. Water quality permit backlog is at an all-time high, she said, so the agency will implement a program that has been successful with air permits. The program allows applicants to have their request processed ahead of the regular queue if they cover the cost of staff overtime or outside consultants.

Applegate also mentioned a report on the relationship between the MPCA and the Office of Environmental Assistance (OEA). She said the OEA has an incentive approach while the MPCA has a regulatory approach. The report, she said, concludes that the two agencies should not merge but should align their work to better leverage resources.

Finally, Applegate gave an overview of feedlot issues and initiatives. She said the MPCA is working on implementing revised feedlot rules and getting federal approval for the agency's feedlot program. She said the governor has also proposed dedicating more funds to the feedlot issue.

### Air, water pollution bills approved

The Environment and Natural Resources Committee approved two bills related to air and water quality standards Tues., Feb. 20. Both bills had been recommended to the full committee by the Subcommittee on Environmental Protection. The committee also okayed a bill that repeals obsolete rules. Committee Chair Sen. Jane Krentz (DFL-May Township) presided.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 379, which requires the Minnesota Pollution Control Agency (MPCA) to make information regarding emissions and discharges available on the agency's web site in an understandable and accessible format. Testifying on behalf of the bill were residents of the Lind-Bohanan neighborhood in Northwest Minneapolis. Amy Luesebrink, president of the Lind-Bohanan Neighborhood Association, said the neighborhood is flanked by a number of industrial facilities. She said, "Residents want tangible, understandable information as to what pollutants are in their backyard."

Lind-Bohanan resident Paul Zobitz said he had difficulty obtaining specific information about emissions after an unidentified material began to come from a neighboring industrial facility. Although emissions data is public information, Zobitz said, he had to take half a day off work before he was able to find the data he sought and present it to the neighborhood association. "The purpose of this bill is to make public information available to the public in a format that's easy to understand," Zobitz said. "Without such information, it's nearly impossible to have an informed discussion about environmental issues."

Senators Bob Lessard (IND-Int'l. Falls) and Steve Dille (R-Dassel) expressed concern that the bill will lead to citizens harassing business on the basis of subjective interpretation of emissions data. Higgins pointed out that the bill puts information that is already public in an accessible format, and could improve communication between business and individuals.

Lessard was particularly concerned with language in the bill that says the web page must provide a context that "allows a person viewing the information to assess the environmental significance of the information." Sen. Lawrence Pogemiller (DFL-Mpls.) offered an amendment changing the word "allows" to "helps" and "assess" to "understand." The amendment was adopted. Ed Meyer of the MPCA said the agency fully supports the bill. The bill was referred to the Finance Committee with a recommendation to pass.

Krentz also presented S.F. 212, a bill that requires the MPCA to consider health risks to sensitive groups when revising water and air quality standards. Krentz said, "We need to take into account all



parts of our population, not just adult males but children, females and seniors.” Carol Johnson of the Women’s Cancer Research Center testified in favor of the bill, saying new information in the past few years has shed clearer light on the health impacts of chemicals.

Senators Gen Olson (R-Minnetrista) and Charles Berg (R-Chokio) expressed concern about the reliability of the health risk research available. Olson proposed an amendment requiring that the health risks used to set standards be “peer-reviewed research documented.” The amendment was adopted.

Marvin Hora of the MPCA said Olson’s amendment is a good change. He explained that while the agency agrees that standards need to take into account more than just 70-kilogram males, he is concerned that the bill is vague regarding the research and the margin of safety that will be used to set standards. Sen. Dan Stevens (R-Mora) offered an amendment inserting the word “reasonable” before the phrase “margin of safety.” The amendment was adopted.

Stevens pointed out that factors other than environmental conditions, such as lifestyle choices, lead to cancer and other diseases. Stevens said environmental pollution may have a greater impact in foreign countries, but pointed out that Minnesota is well above average in environmental quality rankings. Krentz agreed that many factors contribute but said the bill moves in the right direction. The bill was advanced to the floor with the approval of the committee.

Finally, Krentz presented S.F. 615, which repeals obsolete rules relating to the environment. The rules have become obsolete as a result of policy changes or transfers of jurisdiction between agencies, she said. The bill was sent to the floor with a recommendation to pass.

## Environment and Agriculture Budget Division

### Science Museum budget heard

The Science Museum of Minnesota presented its budget request to the Environment and Agriculture Budget Division Thurs., Feb. 15. Jim Peterson, president of the museum, asked for an increase in the base appropriation.

Peterson highlighted the fact that the Science Museum operates outreach

programs in schools across the state and offers workshops to teachers. He said the new museum facility is one of the state’s top tourist destinations, and that a rise in membership shows that people enjoy the museum programs.

Peterson said state support has fallen from 7 percent of the museum budget in 1991 to 4.5 percent currently, while in the same period the number of people served by museum programs has grown 26 percent. The governor’s budget, Peterson said, recommends the museum’s base appropriation of \$1.164 million each year, in addition to two Legislative Commission on Minnesota Resources (LCMR) projects. The museum is requesting an additional 3 percent adjustment for inflation and a \$250,000 increase in base funding, Peterson said. He concluded, “By any measure the state is getting a great benefit for the very small cost of operating the museum.”

Kathy Wilson, vice president of external relations, explained the two LCMR grants. The LCMR recommends \$265,000 for WaterScapes, a project that will create outdoor exhibits in the backyard of the Science Museum to educate the public about non-point source water pollution. The second project, Burn, Plant, and Learn, would receive \$230,000 to protect 7.9 acres of critical upland habitat along the lower St. Croix watershed.

Sen. Leonard Price (DFL-Woodbury) asked about a reference to a cut in funding from Ramsey County. Peterson explained that Ramsey County cut the museum’s funding by \$250,000 in order to commit more resources to human services.

### Dept. of Agriculture budget heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), began hearing the Minnesota Department of Agriculture (MDA) budget Tues., Feb. 20. Specifically, members heard about proposed changes to agronomy and plant protection programs.

Assistant Commissioner Jim Boerboom said the governor is recommending an MDA budget of \$170 million. The department complied with the governor’s request to reallocate 2.5 percent of the base budget to higher priorities, Boerboom said, and as a result programs were reevaluated according to their results and progress.

Assistant Commissioner Tom Masso spoke on the Protection Services Division of the department. The division’s mission, Masso said, is to coordinate regulatory activities that monitor the production of safe food while protecting the environment. “Our philosophy is to try to educate and assist the people we regulate so they understand what’s expected of them and hopefully comply voluntarily,” Masso said.

Greg Buzicky, director of the agronomy and plant protection services division, explained several specific budget changes. Buzicky said two-thirds of the division’s \$12.2 million annual budget is funded by revenues from fees. The division is concerned, Buzicky said, about a decrease in revenue from pesticide regulatory fees. He said the decrease is largely a result of the fact that more farmers are using Roundup Ready® soybeans, which require less pesticide. Other pesticide companies have lowered their prices to compete with Roundup, which results in lower total pesticide sales and less revenue for the division, he said. However, the issue is not yet a serious budget problem, according to Buzicky.

Buzicky then explained changes to the Agricultural Chemical Response and Reimbursement Account (ACRRA). ACRRA is a reimbursement program for cleanup of pesticide and fertilizer spill sites, he said. The division will reduce money spent on the program by \$190,000 per year, Buzicky said, by applying cost containment measures. Namely, he said, the division will require producers to share 10 percent of costs, cap costs at \$350,000 per site and require costs to be submitted within 3 years. The proposed change will be submitted in an omnibus Department of Finance bill, Buzicky said.

Sen. Dennis Frederickson (R-New Ulm) pointed out that the proposal is a significant policy change and should appear before the agriculture policy committee. Members agreed that the bill should be introduced soon, so that the Agriculture, General Legislation and Veterans Affairs Committee has a chance to request it.

Finally, Buzicky discussed an increase in fertilizer inspection fees. This is the first increase in fertilizer tonnage fees since 1989, Buzicky said. He said the revenues are needed to fund increased activity in the areas of quality control and promotion of best management practices. Revenues from an increase in specialty fertilizer fees,

# Committee update

Buzicky said, will be used to address the issue of phosphorous in lakes. Sen. Jane Krentz (DFL-May Township) suggested that fees could be structured to provide incentives to buy low phosphorous fertilizer. Buzicky said that is a possibility, although it would complicate the fee system.

## MDA budget overview continued

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), continued hearing an overview of the Minnesota Department of Agriculture (MDA) budget Weds., Feb. 21.

Shirley Bohm, director of the Dairy and Food Inspection Division, presented the division's budget. She said the division ensures safe handling of food from the farm to the table through inspection, random sampling, emergency response and complaint investigation. The division uses rigorous science to make sure its policies are defensible, she said.

A particularly successful project, Bohm said, was the removal of mercury manometers from dairy farms. Over 1,000 pounds of mercury were recycled, she said. However, the program was so successful that funding is inadequate to reimburse all dairy farmers who are expected to apply for funds. Bohm said the division is looking for a funding source. Price suggested they bring forth a proposal so that MDA does not lose credibility.

Sen. Steve Dille (R-Dassel) expressed concern about a plan to move \$175,000 from the dairy diagnostic grants program to the feedlot assessment initiative. He said he will bring forth a bill to give the dairy diagnostic program even more funding. Bohm replied that feedlot assistance also helps dairy farmers.

Bohm mentioned five budget change items. Three of the change items are fee increases in the areas of commercial canneries inspection, egg law inspection and food handler plan review in order to recover the cost of activities in those areas. Bohm said the parties affected do not oppose the increases. The fourth budget change item, Bohm said, provides a two week grace period to new food handler licensees. She said the change allows new food handlers to operate in the last two weeks of a license year without having to pay a fee for the full year. The change will reduce department revenue by \$10,000 a year, she said.

The fifth change, Bohm said, involves dairy inspection fees. Under the proposal, the processor fee for fluid milk is reduced from \$0.08 per hundredweight to \$0.05 per hundredweight, and a new fee of \$0.0071 per hundredweight is charged that includes all milk products. The revenue helps the division ensure that the dairy industry meets the requirements for interstate export, Bohm said.

Director Bill Krueger presented the budget for Laboratory Services. The division's budget is \$11.5 million for the biennium, Krueger said. He said the lab does microbiological analysis and provides technical assistance to several other state agencies. The division has also provided services to the private sector, he said, and is requesting that state law be changed to clarify the division's authority to recover costs for services that fall outside its normal responsibilities.

Dale Heimermann, director of the Grain and Produce Inspection Division, said the division's budget is \$11.5 million for the biennium. Heimermann said the division operates two main programs. First, the division conducts a regulatory program that certifies seed potatoes for the purpose of controlling disease. Second, the division offers voluntary neutral third-party inspection services for fruit, vegetable and grain deliveries to make sure that the quantity and quality of the delivery meets contract specifications.

Director Kurt Markham spoke on Agriculture Marketing Services. He said the division helps develop new markets for agricultural products and certifies new production methods. The division proposes an increase in the license fee for wholesale produce dealers, grain buyers and general merchandise warehouses to cover program costs in those areas, Markham said. He said another proposed change is to increase funding for the Minnesota Certification (MinnCERT) program, which certifies agriculture production standards to help producers access new markets. The program will receive \$150,000 more per year from the general fund and \$65,000 more in a reallocation from diversifying agriculture, according to Markham.

Sen. Twyla Ring (DFL-North Branch) asked why the department plans to cut funding for organic cost share and sustainable agriculture programs. She said, "We know there is a market in those areas. MinnCERT is like a label looking for a

market." Markham replied that \$1 million still remains for sustainable and organic agriculture programs, and the MinnCERT program can be used to certify organic production processes.

Finally, Paul Burns, assistant director of Agriculture Development, outlined goals for the division. He said the division promotes best management practices in the areas of agronomy and plant protection and agricultural development. A budget change for the division, Burns said, involves the Feedlot Information and Assessment Team (FIAT), a pilot program to help feedlot operators make informed decisions regarding the new feedlot rules. The division proposes reallocating \$175,000 each year from the dairy diagnostics program. Price questioned whether that amount will help many producers, and Burns said the division does not want to put a large amount of money into an experimental program.

## Health and Family Security

### Six bills considered

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples) met Mon., Feb. 19, to consider six bills.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 359, a bill that modifies licensing requirements for the Board of Chiropractic Examiners. The bill permits the educational requirement for licensure to be fulfilled in either a school or college of chiropractic or in a chiropractic program. The bill clarifies that practicing under a license which has not been renewed is grounds for disciplinary action by the board and specifies terms of investigations. A provision creates exceptions to the licensure requirement, including an exception for chiropractors licensed in other states whose duties are entirely of a research, public health, or educational character and employed in a scientific, sanitary or teaching capacity. The bill was approved and advanced to the floor.

Kiscaden also carried S.F. 633, a bill that amends the Minnesota Family Investment Program (MFIP) local intervention grant formula. Local intervention grant funds are used by counties to tailor services for hard-to-employ MFIP recipients. The bill reduces the guaranteed annual minimum allocation to counties from \$25,000 to \$5,000 and states that if a

county fails to submit a plan, or if a plan is not approved, the funds may be used by the commissioner of human services to contract with other public, private, or nonprofit entities in the county or region to deliver services. Other provisions create a new allocation formula and make changes consistent with other portions of the bill allowing a public, private or nonprofit entity to use local intervention funds under certain circumstances. The bill was approved and advanced to the Finance Committee.

Sams sponsored S.F. 640, a bill that creates a loan forgiveness program for nurses and health care technicians practicing in rural hospitals. The bill also modifies the summer health intern program

by requiring that the hospital or clinic that accepts a grant to pay one-half the cost of employing the summer intern. Provisions authorize the use of rural hospital grants to cover the expenses associated with addressing the health care work force shortage and the extension of the rural hospital capital improvement grant program. A section eliminates the expiration date for Medical Assistance reimbursement for telemedicine consultations. A total of \$11.7 million is appropriated for the biennium to cover the costs of grant and loan forgiveness programs. Members voted to approve the bill and advance it to the Finance Committee.

Sen. Dennis Fredrickson (R-New Ulm) carried S.F. 678. The bill establishes

a rural hospital capital improvement grant and loan program to replace the current program which is scheduled to expire June 30, 2001. Under the bill, the commissioner of health is authorized to award capital improvement grants or interest-free loans to eligible rural hospitals not to exceed \$1.5 million per hospital. Hospitals are required to match the grant or loan with 50 percent nonstate funds. To fund the bill, \$6 million is appropriated from the health care access fund to the commissioner of health. The bill was advanced to the Finance Committee with the approval of the panel.

Higgins (DFL-Mpls.) carried S.F. 498, a bill that changes provisions in the Medical Assistance prepayment demon-



*Members of the 1st Minnesota Volunteer Infantry performed in the Capitol rotunda on Weds., Feb. 21, in commemoration of the University of Minnesota's 150th birthday.*

Photo by Shelley Hawes

# Committee update

stration project (PMAP). Modifications allow children who are enrolled in school and receiving mental health services by a licensed health care professional to disenroll from the program so that they are not refused coverage by contracted health maintenance providers. The bill was laid over for further consideration.

Sen. Twyla Ring (DFL-North Branch) sponsored S.F. 620, a bill that requires the commissioner of human services to place individual names on the graves at regional treatment center cemeteries. The bill appropriates \$300,000 and requires that 20 percent of the appropriation must be paid to a consumer-run disability rights organization located in St. Paul for community organizing, coordination, fund-raising and administrative costs. The bill was approved and advanced to the Finance Committee.

## Prescription drug bills addressed

Members of the Health and Family Security Committee met Weds., Feb. 21, to hear a prescription drug program overview and to discuss four prescription drug bills. Sen. Dallas Sams (DFL-Staples), chair of the committee, introduced Dept. of Health Health Care Eligibility and Access Director Kathleen Henry. Henry provided an overview of the prescription drug program, which detailed eligibility requirements, enrollments, expenditures and rebates. She concluded her report with the recommendations that the Legislature continue to improve access, enrollment and administrative efficiencies by removing the 180-day residency requirement, by removing insurance barriers and by increasing the standard for people with disabilities to 120 percent of poverty level. Other recommendations included the elimination of the \$35 monthly deductible, increasing the Medical Assistance income standard to gain federal financial participation for prescription drug expenditures and funding continued outreach efforts.

Sen. Sheila Kiscaden (R-Rochester) sponsored S.F. 323, a bill that expands the prescription drug program by removing the asset limits for seniors, increases the income limits for seniors to 150 percent of the federal poverty guidelines and creates a monthly deductible based on a sliding scale. Sen. Linda Berglin (DFL-Mpls.) asked whether or not a sliding fee system was used in any other program. Henry said that sliding fees were used occasionally but

they were difficult to administer. The bill was laid over.

Sen. Don Samuelson (DFL-Brainerd) presented S.F. 286. The bill expands eligibility for the prescription drug program by raising the income limit for seniors to 150 percent of the federal poverty guidelines. Since the bill echoed provisions in other measures, Samuelson focused his presentation on anecdotal evidence to illustrate the need for modifications to income limits. Several witnesses, including Doug Davis, representing AARP, and Joel Ulland, Christine Gru and Jody McLeod, representing the Multiple Sclerosis Society, provided testimony concerning the great need for reform in the area of prescription drug program eligibility. Other witnesses included Minnesota Board on Aging Chair Ken Moritz and Senior Federation Spokesman Don Blood.

Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 721, a bill that expands the prescription drug program by increasing the income limit for seniors and the disabled to 200 percent of the federal poverty guidelines. A provision also establishes an alternative to the supplemental security income burial exclusion policy. The measure excludes assets up to \$8,000 that are designated for burial expenses when determining eligibility for the prescription drug program. The bill also changes the effective date for including the disabled into the program, from July 1, 2002 to July 1, 2001. The bill was laid over.

Sams presented S.F. 325, a bill to raise the income limit for the prescription drug program. Under the bill, the asset limitations for seniors is removed and the income limits for seniors is increased from 120 percent of federal poverty level to 150 percent. A provision creates a monthly deductible based on a sliding scale. Currently, the monthly deductible for enrollees with income at 120 percent or below poverty level remains at \$35.

Berglin offered an amendment, which was adopted, to create a dedicated fund established as an account in the general fund. The amendment requires that the commissioner of finance credit all rebates paid into the fund and any appropriations designated for the prescription drug program, as well as any federal funds received by the state, for the senior prescription drug program. Money in the fund is appropriated to the commissioner of human services.

Berglin also offered an amendment to expand the Medical Assistance program to provide access to discounted prices for prescription drugs to Medicare beneficiaries with no prescription drug coverage. The bill specifies that individuals who qualify receive a discount for prescription drugs equal to the average rebate paid to the Medical Assistance program by pharmaceutical manufacturers. Berglin said that Vermont and Maine have been given waivers similar to what she proposed, but that the policy is currently in litigation. She said she thought it was worth the effort to try to apply for similar waivers. Kiscaden said she thought the amendment addressed a different scope from what was intended in the bill. She offered an oral amendment to the amendment to specify that upon receipt of a waiver, the commissioner is to submit a proposal to the Legislature for implementation of the program expansion. Both amendments were adopted.

Lourey offered another amendment that excludes from the prescription drug program limitations, assets designated specifically for burial expenses up to a total of \$8,000. The amendment was adopted and the bill was approved and advanced as amended to the Finance Committee.

## Health, Human Services and Corrections Budget Division

### Health budget reviewed

Members of the Health, Human Services and Corrections Budget, chaired by Sen. Linda Berglin (DFL-Mpls.) met Thurs., Feb. 15, to review portions of the Health Dept. budget. Assistant Commissioner David Johnson said the budget is organized into four programs that work together to provide services. The programs include Family and Community Health, Health Protection, Access and Quality Improvement and Management and Support Services. The budgeted amount for all funds totals more than \$260 million, he said. In addition to the agency's base funding, the proposal recommends \$13.9 million to close gaps in health status, particularly those experienced by American Indians and racial and ethnic minority populations. Among the recommendations, \$4.8 million is requested to strengthen the state's preparedness to rapidly identify and respond to

emerging health threats and \$2.72 million is budgeted to provide a stable funding source for the Poison Information Center.

Assistant Commissioner Gayle Hallin outlined the Family and Community Health section of the budget, which totals approximately \$182.8 million. The focus of programming is to help communities meet their public health responsibilities and improve the skills of the local public health workforce, to reduce the use of tobacco by Minnesota's youth and to manage statewide vital records and other health data. In addition, the program provides leadership in establishing an agenda for health improvement and promotes access to quality health care for rural and under-served Minnesotans. Sen. Sheila Kiscaden (R-Rochester) questioned Hallin regarding the reason for implementing a competitive grant program to support health disparities. She said she thought implementation would be difficult under a grant-based system due to a lack of continuity. Hallin said the department was moving toward a formula-based system. Berglin said, "It is my understanding from talking to those in minority communities, that these funds are being used to build up the bureaucracy rather than addressing problems." Members also discussed the Suicide Prevention program, which has an annual budget recommendation of \$1.1 million. Kiscaden asked Hallin whether or not it would be more consistent to privatize the suicide prevention initiative. Hallin said that mental health has been identified as a public health policy concern.

Assistant Commissioner Dick Wexler provided an overview of the Access and Quality Improvement program. The program works to promote health for Minnesotans through access to affordable, quality health care and carries out the state's health provider regulation activities in order to assure that health care delivery systems comply with minimal standards in allied health occupations, mortuaries and cemeteries, health care facilities and managed care organizations. The amount budgeted totals \$82.154 million, of which \$60.62 million is base funding.

### **Budget review continues**

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Weds., Feb. 21, to hear budget-related overviews and testimony by

the Public Defense Board. Public testimony was also provided by twenty six witnesses.

Public Defense Board Chief Administrator Richard Scherman said there were significant changes by legislation that affected the criminal justice system. New laws have created the need for more funding to cover the cost of new judgeships, attorneys, programs and staff, he said. Our theme, he said, has to do with problems associated with the lack of adequate staff and funding. Scherman said that in FY 1999, part-time public defenders put in approximately 29,000 hours of uncompensated hours.

According to the report, public defenders must pay for their overhead out of their salaries. Anywhere from one-third to one-half of an attorney's fee in 1996 went toward the cost of overhead. Scherman said that newly hired Minnesota public defenders currently earn salaries in the \$25,000-\$30,000 range and are paying on law school loans that frequently approach \$80,000-\$100,000. He also said that 13 new judgeships were created in 2001, without provisions for hiring new public defender staff. According to Scherman, in Crow Wing and Aitkin Counties about one-third of cases are continued for lack of public defenders; in Sherburne County, the court is shut down two or three times per day for lack of public defenders.

Change items in the budget total \$5.553 million and include increases in funding for additional public defender staffing, new judgeships, caseload relief, public defense corporations, trial-level support and funding for connecting to the CriMNet system. Scherman said the administration's allocations would go a long way toward remedying the situation.

In addition, testimony concerning the budget for health and corrections was heard from various city, county and community representatives.

## **Higher Education Budget Division**

### **MnSCU budget considered**

Minnesota State Colleges and Universities Chancellor Morrie Anderson and Vice Chancellor Laura King brought the MnSCU budget request before the Higher Education Budget Division Mon., Feb. 19.

King said MnSCU initially requested a \$285 million appropriation for the biennium but reduced their request to \$256 million after discussion with the Department of Finance. The \$30 million difference would be covered by internally reallocated funds, she said. The governor recommends \$62.8 million for the entire MnSCU budget, less than a quarter of the requested appropriation.

According to King, the governor's recommendation covers only two-thirds of the inflationary increases in staff salary. She said inflation has a greater impact on higher education institutions because of the large proportion of the budget spent on human resources. King also said the governor's recommendation does not cover the additional two-percent increase in wages MnSCU needs to remain competitive nationally.

The governor's budget also does not acknowledge the \$29.1 million needed for health care costs, King said. She also said that building maintenance necessitates an additional \$70 million, which is not included in the governor's proposal.

The governor recommended no funding for workforce development programs, new technology or program expansion, King said. "Without funding," she said, "MnSCU is not able to comply with state laws that require colleges and universities to provide access to quality education."

Stewart McMullan, executive budget officer for the Department of Finance, said the Governor's Office is concerned about the lack of specificity in MnSCU's budget request. He said that although MnSCU is proposing \$30 million in internal funding reallocation to cover some increases in spending, the colleges and universities are not specific enough about the redistribution. Anderson said that MnSCU could not provide a more detailed explanation of the reallocation because the colleges and universities must have flexibility in their spending in order to most effectively respond to needs of MnSCU's diverse campuses. "We build our budgets from the campus up," said King.

### **MnSCU accountability heard**

The Higher Education Budget Division heard presentations on Minnesota State Colleges and Universities (MnSCU) accountability measures and reallocation strategies on Weds., Feb. 21. Sen. Deanna Wiener (DFL-Egan) presided.

# Committee update

MnSCU Chancellor Morrie Anderson said, "The board, the staff, the presidents and the campuses have put a significant amount of time and resources into accountability issues." He said the MnSCU system has analyzed 50 campus audits since the schools merged and has just completed the first system-wide audit this fall.

Anderson said a number of measures indicated that the MnSCU system is growing and improving. He said a recent survey of student satisfaction indicated that overall students thought they were receiving an excellent education. He said the population of students of color had risen 61 percent since 1990. He also said that the total enrollment in MnSCU had gone up 10 percent in 2 years.

Dr. James Benson, president of Bemidji State University, said, "This is the best year in history for Bemidji State University." He said the school had won four first place awards for multimedia education innovations. He said there had been a 41 percent increase in admission applicants and the University enrolled its largest freshman class for fall 2001.

He said Bemidji's recent improvements and successes follow on the heels of "Black Tuesday," May 2, 1995, when the University laid-off 10 percent of the workforce. He said the school has two counselors, two grounds keepers and two security officers. "We are doing magnificently on vapors," he said. "But we can't do it anymore. This surplus didn't come from a wave of the government's magic wand. It came from productivity. MnSCU is responsible for that productivity."

Kathleen Nelson, president of Lake Superior College, said the school's enrollment has grown over 20 percent in the past 2 years. Yet, she said, the college has cut administration positions, not replaced retired faculty and suspended two programs. She said in the past 3 years the college had reappropriated about \$1 million dollars to counter rising costs. "We take funds and reinvest them in areas of growth," she said. She also said much of the reallocated money is spent on e-learning initiatives. In the past 3 years, the college has increased the online offerings from 1 class for 8 students to 742 students in 29 classes, she said.

Laura King, vice chancellor of MnSCU, said, "As a factual matter, our campuses have reallocated two to three times the amount the governor has recommended." Sen. Richard Cohen

(DFL- St. Paul) asked the MnSCU presidents, "Was there any attempt made to convey to the governor your attempts at reallocation?" King said, "We indicated to the Governor's Office that we would have this information available but we would be unable to meet the deadline he set." She said MnSCU needed extra time to gather the information because the colleges and universities do not have a central budgeting operation. Instead, she said, MnSCU allows each campus to determine its own needs.

## Jobs, Housing and Community Development

### Four bills heard

The Jobs, Housing and Community Development Committee assembled Weds., Feb. 21 and heard three bills. Sen. Ellen Anderson (DFL- St. Paul) chaired the hearing.

The Senators considered legislation concerning senior assisted-living housing grants, exterior housing improvements, sludge management, and employee access to employee assistance program records.

Sen. Linda Berglin (DFL- Mpls) presented legislation that provides grants to be given by the Housing Finance Agency (MHFA) to local governments for constructing or rehabilitating publicly-owned assisted living housing for seniors. Berglin said she created the legislation in coalition with a bipartisan work group addressing long term care. She said that to be eligible for grant money a project's rent can be no more than 30 percent of a resident's income.

The bill, S.F. 664, requires the MHFA to appropriate the funds fairly between rural and metropolitan areas and requires funds to be matched by local government.

Sen. Martha Robertson (R- Minnetonka) asked why the housing had to be publicly owned. Berglin said that the buildings had to be publicly owned in order to qualify for bonding measures. "Public ownership does not eliminate the possibility of public-private partnerships," she said. "The owner of the housing and the provider of the care do not have to be the same entity."

Berglin also said that the bill had originally been written as a bonding bill, but had not been included in the bonding package. She said it did not necessarily have to be a bonding bill and the grant

could be funded by an appropriation instead.

S.F. 664 was recommended to pass and re-referred to the Finance Committee.

Sen. Steve Kelley (DFL- Hopkins) authored S.F. 534, creating a pilot program for providing low interest loans for exterior repairs to deteriorated single-family homes.

Susan Sanger, St. Louis Park City Council member, said, "The bill we have here addresses a niche not otherwise covered by housing rehabilitation projects." She said deteriorated exteriors jeopardize the structural integrity of homes, create safety hazards and affect the appearance of neighborhoods. She said a recent survey of St. Louis Park residents found that blighted homes was their number one concern and considered a greater problem than crime and high taxes.

Michelle Schnicter, St. Louis Park housing supervisor, said the bill requires the MHFA to work with local governments to identify homes needing repairs. She said local governments will set the interest rates, repayment and deferral periods for the loans, which can be a maximum of \$10,000.

Sen. Dennis Frederickson (R- New Ulm) suggested that the bill prioritize the type of projects that receive grants. He said that weatherization and fixing safety hazards should come before tree stump removal and repairs for aesthetic reasons.

Sen. Linda Higgins (DFL- Mpls) recommended that the bill be changed from encouraging enforcement action against home owners who fail to fix housing code violations to prioritizing homes that have had significant housing code violations. Anderson suggested that Kelley take the committees concerns into consideration and bring the bill before the committee again. He agreed.

Frederickson sponsored S.F. 601, which appropriates \$500,000 to public facilities authorities, under the jurisdiction of the Department of Trade and Economic Development, for the regional sludge joint powers board. Frederickson said the bill allows the joint powers board, consisting of nine rural cities west of the Twin Cities, to cooperatively purchase a mobile belt press to deal with their sludge.

Tim Korby, civil department manager for LHB Engineers and Architects, said sludge is applied to farmland just before the crops are planted and just after, and that the rest of the year it had to be stored.

Altogether, the 9 communities had spent \$6 million to store their sludge, he said.

Gary Schreifels, waste water superintendent for Glencoe, said that the mobile belt press de-waters the sludge and reduces the volume by 90 percent. The reduction would allow communities to store the sludge less expensively as well as to transport it more cost effectively, he said.

S.F. 601 was recommended to pass and re-referred to the Environment and Natural Resources Committee.

Sen. Twyla Ring (DFL-North Branch) presented S.F. 564, which allows state employees in employee assistance programs access to their own records. Employee assistance programs provide counseling services for employees dealing with a range of issues including mental health, alcohol or drug use, financial and familial problems.

Iona Rosenberg, a state employee, said she encountered several obstacles trying to obtain her own files. She said that even though both the Attorney General's Office and the Board of Psychologists said she had a right to her own records, because of the ambiguity of the current law the psychologist she saw was reluctant to give her own files to her. Instead, Rosenberg said, officials from the clinic said she would have to get a subpoena.

Sandy Harmon, co-chair of the Legislative and Public Policy Committee of the Employee Assistance Professionals Association (EAPA), said, "We fully support the bill because it meets our professional standards and complies with our current practices."

S.F. 564 was re-referred to the Judiciary Committee without recommendation.

## Judiciary

### Bar recommendations heard

Sen. John Marty (DFL-Roseville), chair, convened the Judiciary Committee Thurs., Feb. 8, to consider two bills comprised of recommendations by the Minnesota State Bar Association.

S.F. 170, authored by Sen. Thomas Neuville (R-Northfield), sets forth a number of changes suggested by the Bar's Real Estate Law section. The majority of the provisions in the bill are designed to update and streamline torrens property proceedings. The bill removes the "supplemental directive" requirement, allows for easier amending of applications,

and permits the combining of a torrens certificate of title with a torrens certificate of possessory title. The bill also creates a new "common elements" certificate of title that simplifies the title process for condominium owners and registrars.

The bill makes explicit that the 40-year law concerning recorded real estate was never intended to apply to torrens property. It also removes the requirement that the attorney general transmit to a county attorney the defense of a torrens title action involving the state, giving the attorney general's office the option to handle the case.

Lastly, the bill amends the law to validate a widely accepted real estate practice whereby a single owner declares easements over various parcels which he or she owns, intending later to sell the individual parcels. Sen. Warren Limmer (R-Maple Grove) asked "Why doesn't the current law recognize those easements?" Edward Bock, examiner of titles for Hennepin County, said that, for technical reasons, the common law doctrine of merger can call into question easements established by a single party over his or her own land. He said the bill rectifies that ambiguity.

The other bill considered by the committee was S.F. 346, authored by Sen. Don Betzold (DFL-Fridley). The bill incorporates changes to probate and trust law based on recommendations by that section of the bar. It expands the definition of security accounts eligible for "transfer on death" registration and simplifies the antilapse statute.

The also modifies the list of persons who may receive a certified copy of a birth or death certificate.

The bill also makes a number of changes to the Uniform Principal and Income Act. It clarifies trustee duties, amends the definition of "principal," and expands the scope of the statute to include different kinds of trusts. It also expands the statute dealing with income earned during the administration of an estate. The bill adds partnerships and limited liability companies in the part of the statute regarding distributions from corporations and adds a new provision addressing sole proprietorships. It also contains specific provisions addressing unproductive property, retirement plans, and receipts from timber land.

Marty asked if the change to the antilapse statute is substantive. Represent-

ing the probate and trust section of the bar, Andrea Bruckner said the change reverts to the simpler version of the law that had been enacted before the uniform version. She said it retains important survivorship language.

Both bills were approved and sent to the floor.

## Rules and Administration

### Nominees approved

The Elections Subcommittee of the Rules and Administration Committee met Fri., Feb. 16, to approve four nominations to the Campaign Finance and Public Disclosure Board. Shirley Chase, Donald Roggenbauer, Wilbur Fluegel and Allan Spear were the appointees under consideration. Subcommittee Chair John Hottinger (DFL-Mankato) presided.

Spear and Fluegel were on hand to speak at the subcommittee hearing. Spear said his 28 years of experience as a state Senator will help him serve well on the board, both because he has seen the campaign finance issue from the vantage point of a candidate for office and because he was a member of the Senate through the period when campaign finance legislation evolved. This will be Spear's first term on the board.

Fluegel said he currently serves as the board's chair. He praised the work the board has done in the past, saying almost all decisions have been unanimous. "We've managed to do the right thing on a regular basis," he said. All four appointments were recommended to the full committee.

### Campaign finance reform heard

The Senate Rules and Administration Subcommittee on Elections and the House Governmental Operations and Veterans Affairs Policy Committee met in a joint hearing Fri., Feb. 16, to hear testimony about campaign finance reform. Members heard from Doris "Granny D" Haddock and two Legislators from Maine, Sen. Ed Youngblood (R-Brewer) and Rep. Bill Norbert (D-Portland). The committee was co-chaired by Sen. John Hottinger (DFL-Mankato) and Rep. Jim Rhodes (R-St. Louis Park).

Haddock said a subsidy given to a tobacco company three years ago drew her attention to the influence lobbyists and campaign contributors exercise over

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politicians. She said, “I realized that suddenly we weren’t a democracy anymore—that the politician must give up his soul to run in this country or he must be a multimillionaire.” To draw attention to the issue, she said, she walked from Los Angeles to Washington, D.C. and worked to build support for the McCain-Feingold campaign finance bill, which was ultimately defeated.

Youngblood and Norbert spoke about the Maine Clean Election Act, which went into effect January 1999. Norbert said Maine was the first of four states to make campaigns totally publicly financed, with the 2000 election the first to take place under the new system. He said 50 percent of Senators and 23 percent of Representatives in Maine opted to run publicly financed campaigns in 2000. Norbert ran successfully as an incumbent under the new system, he said.

Norbert asked Minnesota to join Maine as a leader in campaign finance reform. Under the traditional system, he said, “Good candidates aren’t running because they feel they can’t compete, and good incumbents are spending too much time making phone calls and raising money.”

Youngblood described how he ran a publically financed campaign and beat a longtime incumbent with a history of fund-raising success. The necessity of fund-raising initially deterred Youngblood from seeking office, he said, but the new system gave him the opportunity to run as a clean election candidate. The incumbent chose to run under the traditional system, he said. Youngblood carefully planned a campaign strategy with the initial funds made available to him, then was given a large influx of money near the end of the campaign when his opponent exceeded his spending limit. Youngblood said he was happy that “I do not have to, when met by a lobbyist in the hallway, lean in his direction.”

Members had a number of questions about the Maine system. Sen. Linda Scheid (DFL-Brooklyn Park) asked whether the publicly financed system is limiting. Norbert said that while spending limits require campaigns to be carefully planned in advance, the new system in general is liberating.

Rep. Eric Lipman (R-Lake Elmo) asked how public campaign financing affects campaign strategy. Norbert said the new system favors the incumbent as much

as the old system, but it also bring new people into the elections. Youngblood said it forces candidates to get out and meet constituents face to face, rather than expending energy on fund-raising.

Members were also interested in what role special interest groups and political parties can play under a system like Maine’s. Youngblood said the special interest groups cannot make ads supporting a particular candidate, or the money spent on the ad will come out of that candidate’s set budget. A lawsuit was brought claiming this inhibits free speech, Norbert said, but the court ruled in favor of the Maine system. Only a provision that would indicate on the ballot whether candidates ran a publicly funded election was struck down. Youngblood said political parties can provide facilities for candidates to use, but are prohibited from making financial contributions to the campaign.

## State and Local Government Operations

### Administrative rules bill okayed

The State and Local Government Operations Committee met Tues., Feb. 13, to hear three bills. Sen. Jim Vickerman (DFL-Tracy), chair of the committee, presided.

Chief author Don Betzold (DFL-Fridley) presented S.F. 555, which revises a variety of provisions pertaining to the administrative rule making process. The bill outlines a new process for granting mandatory or discretionary variance to rules and defines the conditions governing an agency’s decision to grant a variance. The measure describes the kind of information a petitioner must provide when asking for a variance and establishes provisions for notification and for recording of the agency’s decision.

Sen. Dan Stevens (R-Mora) offered an amendment to modify one of the conditions for discretionary variance. The bill says that variance may be granted if, among other things, doing so does not “prejudice the substantial legal rights of any person or entity.” The amendment said that economic and property interests should also be protected from prejudice in decisions granting variance. Vickerman and Sen. Lawrence Pogemiller (DFL-Mpls.) both asked if the language overreaches the intended scope of the provision; Stevens withdrew the amendment.

The bill authorizes petitioning for any party who believes an agency is trying to enforce guidelines or policies that are not actually rules. It also establishes a new, simplified process whereby agencies may repeal obsolete rules. A Department of Health representative said the bill does not do enough to discourage frivolous petitioning that could be costly to agencies. Betzold offered an amendment giving administrative law judges the option to assess the costs of a hearing to the losing party, taking into account the party’s ability to pay. Bruce Johnson, chief administrative law judge, agreed that someone has to pay for the hearings; nonetheless, he said that, since it is possibly unconstitutional to require a party to pay for a judge, it is unseemly for his office to act as a collection agency. Sen. Ann Rest (DFL-New Hope) successfully offered an amendment to the Betzold amendment giving the agency involved in the hearing the responsibility for recovering costs. The Betzold amendment was then approved.

The bill also revises legislative oversight of the rule making process. It narrows the scope of a provision requiring agencies to provide specific Legislators with copies of rule changes. The bill specifies that agencies only need to inform the chairs and lead minority members of relevant committees. The bill also allows the Legislature to bar the adoption of a rule if the relevant committees in both bodies vote to do so. Pogemiller offered an amendment changing the required vote to a majority of the committee instead of a majority of a quorum of the committee. Sen. Mady Reiter (R-Shoreview) spoke against the Pogemiller amendment, saying that a majority of a quorum suffices for all other committee decisions. Pogemiller said that a committee’s decisions in other matters are still subject to the full Senate, whereas the barring of rules represents a significant and direct power over the actions of another branch of government. Sen. Martha Robertson (R-Minnetonka) agreed that requiring a majority of the whole committee is a reasonable protection. The amendment was adopted.

The bill requires that the governor also receive notice of rules. An amendment was offered on behalf of the governor’s office to allow a nearly final draft to suffice as notification to the governor. Rest, Reiter, and Robertson all suggested that the amendment and the



notification requirement itself should be unnecessary, since rules come from the governor's own administration. Pogemiller offered an amendment that completely removes the requirement to notify the governor. The Pogemiller amendment prevailed. Another provision of the bill was retained. The provision makes the governor's veto of rules effective upon submission to the State Register.

Geoff Barsch of the Minnesota Business Partnership presented testimony in favor of the bill, saying that it improves administrative rule-making. He said the current process creates a burden for businesses.

The bill, as amended, was approved and sent to the floor.

Sen. Sandra Pappas (DFL-St. Paul), chief author, presented S.F. 510, which grants county boards restricted power to change certain elected county offices to appointive ones. The bill requires a four-fifths majority vote of the board to make the change. The measure also outlines the means for public notification of the change and for reversal of the decision by referendum. Pappas said that numerous counties have already been granted the authority, many more want it, and the Legislature has not denied it to any counties yet. Vickerman clarified that the bill does not require counties to make the change, but gives them a process for making the change if desired. The bill was approved and referred to the full Senate.

S.F. 509, authored by Sen. Claire Robling (R-Prior Lake), extends statewide the authority for cities and counties to use credit cards for authorized payments or transactions. Stevens offered an amendment to include town boards in the bill and to address the possibility of unauthorized purchases. Remi Stone of the League of Minnesota Cities spoke in favor of the amendment. She said that many townships already use credit cards but that their right to do so was called into question when Hennepin County was explicitly given the authority to do so. Pogemiller said the extension of the authority to town boards moves the bill too far beyond its original intent. Stevens withdrew his amendment. An author's amendment was successfully offered to align credit card usage by cities and counties with existing audit practices used by the state auditor. The author's amendment was adopted and the bill approved. The measure was sent to the floor.

## **Paid volunteer leave okayed**

Two new bills were heard at a State and Local Government Operations Committee meeting, chaired by Sen. Jim Vickerman (DFL-Tracy) Tues., Feb. 20. The committee revisited a third bill that had been laid over at a previous meeting.

Under S.F. 741, carried by Sen. Myron Orfield (DFL-Mpls), Hennepin County is granted the authority to give paid leave for up to 15 days a year to employees who are certified disaster services volunteers. The leave covered by the bill is for the purpose of participating in disaster relief with the American Red Cross or a similar organization and must be approved by the employee's appointing authority. The bill sets pay at 50 percent of the employee's regular rate and specifies that the employee's other benefits and paid time off are not affected. Vickerman asked if the bill should include all counties in the state. Sen. Claire Robling (R-Prior Lake) and Sen. Don Betzold (DFL-Fridley) agreed that others may come in the future to ask for the same authority, but suggested that the bill be left as it is. Sen. Martha Robertson (R-Minnetonka) and Sen. Ann Rest (DFL-New Hope) clarified that there is a similar statute applying to state employees, paying 100 percent of their pay rate.

Robertson said that, although she appreciates what volunteers do, it seems contrary to the notion of volunteering to pay the person doing it. She also asked about the cost of providing the paid leave, especially if the bill's authority is eventually extended to all counties or is modified to pay 100 percent. Sen. Mady Reiter (R-Shoreview) agreed, saying the bill sets a precedent. Sen. Dan Stevens (R-Mora) said that only people who are highly skilled and specially certified qualify for the leave. Representing Hennepin County, Paul Cegla said the county has only spent about \$3,000 in the 4 years during which they have tested the program.

The bill specifically disclaims the need for the bill's provisions to be approved by the Hennepin County Board. Pogemiller said the local approval clause ought to be included and successfully offered an amendment to do so. The bill was approved by a majority of the committee and sent to the floor.

Next, Vickerman presented S.F. 110, a bill that creates a non-profit corporation to manage the Prairieland Exposition Center

in Worthington, Minnesota. In the bill, the Southwest Regional Development Commission (SWDRDC) is given the authority to appoint directors for the non-profit corporation. The bill also refers to statutory provisions that apply to non-profit corporations established by a division of government and to the management of property originally purchased with public money. Aaron Reeves, executive director of the SWDRDC, said that the daily operations of the expo center will receive greater focus than if management were left in the hands of the commission. He added that non-profit status allows the center to generate funding by applying for grant or foundation support.

Robertson asked why the expo isn't being spun off as a private non-profit. She said the non-profit's ties to the commission perpetuate government involvement that isn't necessary or desirable. Speaking for the commission, Kevin Walli said that the regional governments that provided funding want to remain involved. He added that the law directs a government to provide for the successful start-up and operation of a non-profit created in this manner.

Rest successfully offered an amendment to retain a requirement that the non-profit be reviewed every three years. The committee recommended the bill for passage as amended and referred it to the full Senate.

Finally, the committee reopened the consideration of S.F. 9, authored by Sen. Charles Wiger (DFL-North St. Paul) and first discussed Jan. 16. The bill gives cities the authority to offer housing assistance as an incentive to attract skilled paramedic workers. The measure originally applied only to the city of Mahtomedi, but Wiger successfully offered an amendment to broaden the bill to include all statutory cities. The bill was approved and sent to the floor.

## **State Government, Economic Development and the Judiciary Budget Division**

### **Retirement funds examined**

Sen. Richard Cohen (DFL-St. Paul), chair of the State Government, Economic Development and the Judiciary Budget

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Division, convened the division Thurs., Feb. 15 to hear testimony regarding the status of various state retirement funds.

Executive Director Mary Vanek reviewed the Public Employees Retirement Association (PERA) funds and budget request. The basic fund includes more than \$9.6 billion dollars, an amount that represents 86 percent of the accrued liability. She said it is fairly well funded compared to other funds of its kind. The other two funds managed by PERA, she said, are for police and fire employees, with a funded ratio of 122 percent, and for corrections employees, with a funded ratio of 109 percent. She said the agency requires no state appropriation because the administration of benefits is paid for entirely through member contributions, employer contributions, investment earnings, and other income sources.

The retirement funds for Legislators, judges, and constitutional officers were highlighted by Dave Bergstrom, executive director of the Minnesota State Retirement System (MSRS). Bergstrom emphasized that the three plans are not pre-funded. He said that contributions made by Legislators, judges and constitutional officers are not managed in a fund, but instead are placed in the general fund. When benefits need to be paid, he said, money is appropriated at that time and placed in the post retirement fund. Sen. Cal Larson (R-Fergus Falls) said that it would be wiser to place the contributions in a fund from the beginning. Bergstrom agreed, saying that by changing the way the fund operates, the current liabilities will be balanced out with investment gains and, at some point in the future, no annual appropriation will be required. He said doing so requires a change in statute. MSRS also manages other pre-funded retirement plans for state employees, state law enforcement officers, employees of the University of Minnesota, employees of the Metropolitan Council, and employees of various other agencies. Funded ratios for all of these funds are more than 100 percent.

Judy Johnson of the Minneapolis Employees Retirement Fund presented a budget request highlighting the diminishing appropriations required by the fund. The plan was closed to new enrollment in 1978, she said, and currently is funded at more than 93 percent. She said supplemental contributions by employers and by the state will eliminate the unfunded liability by the year 2020. The state

appropriation for FY 02-03 is \$6.464 million.

Representatives of teacher's retirement funds in Minneapolis, St. Paul, and Duluth each gave testimony. The state appropriates money to reduce the unfunded liabilities of the teacher retirement funds in the cities and the total request for FY 02-03 is \$18.767 million. Jay Stoffel of the Duluth fund said the funding ratio for the Duluth Teacher's Fund is actually above 100 percent. Representing the Minneapolis fund, Karen Kilberg said the current funded ratio is 66.54 percent, which is up from 51.38 percent a decade ago. Eugene Washburgh reported that the funded ratio in St. Paul's fund is more than 80 percent.

The status of the statewide retirement fund for teachers was discussed by Gary Austin, executive director of the Teacher's Retirement Association. Austin said the fund currently enjoys a funded ratio of 105 percent. No state appropriation is requested for the management of the fund.

Finally, Rick Gardener from the Department of Revenue presented a budget request for local police and fire amortization aid. The majority of the \$22.762 million requested for FY 02-03, he said, will be allocated to a variety of jurisdictions to reduce the unfunded liabilities of retirement associations for public safety employees. He added that a small portion of the appropriation goes toward supplemental benefits reimbursements, which compensate for an income tax exclusion that was lost due to changes in the Minnesota income tax.

## **Affordable housing addressed**

The State Government, Economic Development and the Judiciary Budget Division, met again Tues., Feb. 20. Testimony and budget requests focused on issues related to affordable housing.

Kit Hadley of the Housing Finance Agency presented a budget representing base level funding and a one-time appropriation of \$24 million to support rental housing for low-income workers. The base level funding, though unchanged, is redistributed significantly in the budget request to create greater flexibility in the allocation of money to better address specific needs.

One shift Hadley highlighted in the budget is the consolidation of a number of the agency's program funds into the Economic Development and Housing

Challenge Fund. Hadley said the fund was established in 1999 with a one-time appropriation and required a 100 percent match from corporate investment. She said the match requirement proved quite successful and the consolidation reflects an attempt to apply the fund's intent to a larger number of programs. The only change, she said, is that the new match requirement is 50 percent to allow greater flexibility. She said applying the match requirement to all the development funds creates potential for a larger and broader range of private participation. Sen. Martha Robertson (R-Minnetonka) agreed, saying that the Chamber of Commerce can be enlisted to encourage small- and medium-sized companies to offer matches for housing dollars. "Many of these companies have been crying out for a work force but haven't stepped up to help," she said. Hadley said certain categories of company, retail for example, have not been highly involved either. Sen. Richard Cohen (DFL-St. Paul), chair of the committee, said that the leadership of a major retailer such as Dayton's may make a difference.

The other reallocation is a similar consolidation of funds into the Housing Trust Fund, which serves both the poorest populations and people that require permanent supportive housing. Hadley said the fund creates a single source for both bricks-and-mortar support and operating subsidies. The change removes the former component that provides additional services to tenants and allows for greater flexibility to channel dollars into whichever programs are working best for specific areas.

One final change item reallocates funds into the capacity building grants program. Areas of the budget unchanged and recommended for continued base level funding are home ownership loan programs and the preservation of federally assisted housing.

Hadley highlighted the federally assisted housing component in discussing the 30-person increase in full time staffing at the agency. She said that management of former Section 8 housing aggressively unloaded by the federal government has created the growth in staff. The agency has absorbed much of the housing, she said, and is paid contractually by the federal government. Hadley said the other staff increases are intended to reduce reliance on consultants. Compared to the dollar

amount of assistance provided or to the total assets, she summarized, the agency's operating cost ratios are relatively low.

Connie Greer and Pat Leary from the Department of Children, Families and Learning presented the portion of the department's budget that pertains to housing. The request includes \$1.988 million a year for transitional housing programs and \$350,000 for emergency services. Greer said that federal dollars are also used to support emergency shelter and supportive housing. Leary presented the results of the department's November survey, highlighting that 48 percent of the sheltered population on the night of the survey were children or teenagers. He said that many of the people served by transitional housing are employed but either cannot afford available housing or have difficulty securing housing that they do find.

The final testimony presented to the division was a summary of the Office of the Legislative Auditor's report on affordable housing. The office was directed in April 2000 to study Minnesota's housing situation; the full report of the findings was given to the policy committee earlier in the Legislative Session. One key finding of the report is that apartment rent increases in the Twin Cities have grown more than three times as fast as median renter income. The report also states that there are 17 counties in Minnesota, mostly in the Metro Area, where the median priced homes are not affordable. Developers, builders, and housing organizations surveyed for the report point to the cost of land, labor, and materials as the factor most strongly impeding the growth of affordable housing. The study reports the parties' unanimous conclusion that financial assistance and regulatory waivers from the government are needed.

## DOER presents budget

Representatives of the Department of Employee Relations came before the State Government, Economic Development and the Judiciary Budget Division Weds. Feb. 21. The meeting was convened by Sen. Richard Cohen (DFL-St. Paul), chair of the division.

Julien Carter, DOER Commissioner, presented an overview of the department's accomplishments, priorities and budget issues. One major objective the department has achieved, he said, is providing

state employees with a long-term care coverage plan. Priorities he highlighted are a computer system upgrade, a strategic planning project, and the successful negotiation of collective bargaining agreements. Sen. Martha Robertson (R-Minnetonka) asked if the bargaining agreements are bound by law to be structurally balanced within the existing budget. Carter said they are not but agreed that such a policy change may be in order.

Carter highlighted two budget issues. The first is the rising cost of health care. Robertson said coverage the state provides does not require a co-pay. She asked how much the state could save if co-pays were added. Dave Haugen said a \$10 co-pay would reduce the \$380 million in plan costs by 3 to 4 percent. Haugen said the mandates in the plan are consistent with industry regulations.

The other budget issue Carter addressed is the labor shortage. He said the department received state funding for a pilot project to completely reform the hiring process. In the budget request, he said, a reallocation is included to continue funding the implementation of the new process. No additional funds are required, he said.

Bill Eisele, from the department, summarized the remainder of the \$22.132 million budget request. He said the request includes a change to a permanent appropriation for workers compensation reinsurance. In addition, a reallocation within the department ends a pass-through of \$100,000 to the government training services (GTS) program. Eisele also highlighted a one-time appropriation of \$2 million to cover compliance with the federal Fair Labor Standards Act.

Sen. David Johnson (DFL-Bloomington) asked if the GTS money the department intends to keep will be used to carry on local government training. Eisele said it will not. He said the agency plans to use it for its own programs.

Speaking on behalf of GTS, Helene Johnson said that the funding helps them keep training affordable and fairly priced for local governments throughout the state. She also emphasized that GTS currently raises 95 percent of its operating funds through fees, grants, and other sources. Cathy Busho, mayor of Rosemont, and Gene Short, Redwood County commissioner, spoke on behalf of the training GTS provides. Busham highlighted that, among other things, GTS training has

helped increase the involvement of women in government. Short said the training for newly elected officers helped him a great deal. He said GTS intends to bring the program to the Legislature.

Robertson asked if the \$100,000 in state money could be replaced by increasing the fees GTS charges employees to attend seminars. Johnson said it would vary widely how much fees would have to be increased, adding that raising the cost to participants may not result in increased revenue because it seriously decreases the number who attend.

## Income and Sales Tax Budget Division

### Reform responses considered

The Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), convened Tues., Feb. 20, and heard public concerns about the impact of the governor's proposed tax reforms.

John Pratt, executive director of the Minnesota Council of Nonprofits, said that the proposed tax reforms effect nonprofit organizations in two positive ways and three negative ways. He said that nonprofits will benefit from the increased uniformity between state and federal guidelines for establishing the tax status of nonprofit organizations. He also said that some nonprofits will save money because of the exemption for materials used in production, such as the food used in meals at homeless shelters. However, he said, nonprofits will suffer due to the taxes on performing arts performances, camp fees, membership fees for health and wellness facilities.

"The tax proposals assume all charities are alike," said Byron Laher, director of the Minneapolis United Way. "You cannot mix and match tax burdens where you like." He said that although some nonprofits will benefit from some tax exemptions, others will carry disproportionate tax burdens. He said that under the governor's tax reforms, nonprofits do not pay taxes on small cars but do pay taxes on fund-raising sales of more than \$25,000. He said, if one nonprofit utilizes the tax exemption for the purchase of a small car and does not make more than \$25,000 from fund-raising sales, the organization profits from the tax changes. On the other hand, he said, if a different nonprofit does

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not need to buy a small car but does make more than \$25,000 from fund-raising sales, the organization pays much more.

Tom Brinsko, president of the YMCA of the Greater Saint Paul Area, said taxing YMCA memberships and camping services will subtract from the organizations ability to meet community needs. Mercy Olson Ward, public policy coordinator for the YWCA in Minneapolis, said, "The sales tax on memberships is not a pass-through tax because those affected already pay on a sliding fee scale." She said that because YWCA members pay what they can afford, the YWCA will be forced absorb the additional cost of the tax and will have to compensate by providing fewer services to those in need.

Steve Bergerson, an advertising attorney representing the Communication Industry Coalition, said the governor's plan proposes taxes on advertising services, regularly published publications and television commercials. According to Bergerson, the recommended taxes will deter national companies from doing business with Minnesota's advertising firms and will create a disincentive for advertising agencies to remain in the state. He said the tax will negatively impact over 200,000 people employed in both advertising and creative support professions, such as acting, photography, and modeling, as well as the film industry, which depends on creative support. Every state that has ever implemented a tax on advertising has repealed it within two years, he said.

Mark Anfinson, also representing the Communication Industry Coalition, said, "If newspapers take a hit, local merchants take a hit." He said that if newspapers advertising space is taxed at 6 percent, there will be a 6 percent decline in advertising. He said the rise in advertising costs due to the tax will result in a decrease in marketing, which will decrease the profits of business. "Why are we, without any hard evidence, taking a chance with one of the engines of our economy?" he asked.

Representatives from several professions testified about the impact of the tax on services on the competitiveness of their businesses. Jane Brown, president the Minnesota High Tech Association, said, "The tax has a negative impact on attracting large companies to do business in Minnesota." She said companies have to pay tax for services in Minnesota that they

do not have to pay in other states. Because much of information technology business is conducted through the online global marketplace, she said, the proposed tax would have especially negative results.

Bill Beyer, an architect and representative from the Architects' Institute of America's Minnesota chapter, said, "The tax on services is the kiss of death for small architectural firms in Minnesota." He said because only three other states tax architectural services, Minnesota architecture firms would be unable to compete nationally. "Architects design affordable housing," he said. "By taxing the design of housing, you are going to make it less affordable."

Joe Carlson, a representative from the Minnesota Trial Lawyers Association, said, "The tax on legal services is not a tax of choice." Instead, he said, it is a tax on misfortune because legal services are needed to declare bankruptcy, get compensation for a workplace injury or prosecute people who abuse children. He also said Minnesota legal service providers would also lose business to other states where legal services are not taxed.

Sue Leng, president of the International Translations Bureau, said the governor's recommended tax on translation services is a disincentive for businesses to provide translation services. "We are taxing the communication barrier," she said.

## Property Tax Budget Division

### Regional views heard

Sen. Don Samuelson (DFL-Brainerd) and members of the Property Tax Budget Division, which he chairs, traveled to St. Cloud Thurs., Feb. 15, to hear public testimony on the governor's property tax reform proposal.

### Alternative presented

Members of the Property Tax Budget Division met Weds., Feb. 21, to hear a property tax reform proposal presented as an alternate to the governor's tax reform measure that has dominated the division's business during the session. The proposal is the result of a report authored in November 2000 by John James and Pamela Neary on behalf of 1,000 Friends of Minnesota.

James said the conventional wisdom on taxation used to be that there were

three basic tax systems: a tax on income, a tax on consumption through the sales tax, and a tax on wealth through the property tax. However, he said, property taxes no longer tax the greatest reserves of wealth in the state. In the mid-1800s, James said, almost all of the wealth in the state was tied into land and property since the economy was agriculturally driven. In 2001, he said, property no longer represents a major source of wealth. "However, in its basic form, the property tax is today what it was 140 years ago," James said. Neary added, "Sometimes the unintended consequences of how you raise revenues aren't really clear when taxation legislation is enacted." Low-income households, she said, have a much higher percentage of their wealth tied up in real estate. In many cases, Neary said, the wealth formula includes only the assessed value of the property and does not differentiate between equity and debt.

James and Neary thus conceived of a Land and Structure Tax (LAST) system to replace the current value-based property tax. Their proposal also suggests, James said, reducing the weight of the property tax in the overall revenue mechanism. Property taxes will have to be replaced with other revenue sources, he said. "We don't discuss in detail what those options are," James said, "but sales tax broadening has to be a part."

"The LAST system makes property owners overtly aware that land is a finite resource," Neary said. Because the system taxes land more heavily than it taxes buildings, large lots will bear a heavier tax burden, she said. The current system encourages larger lots, Neary said, but a LAST system encourages diversity in lot sizes.

Sen. Don Samuelson (DFL-Brainerd) asked how the proposal affects agricultural land. Neary said that their proposal suggests removing farmland from the property tax and taxing farm properties based on their production. Thus, she said, if a natural disaster ruined production in an area, property owners will see their taxes automatically reduced to reflect their reduced production. Sen. Roger Moe (DFL-Erskine) asked how the LAST system affects lakefront property. He noted that it is environmentally better to have larger lots of lakefront property to keep development down. Neary replied that the state will have to encourage communities to plan for the long-term and create conserva-

tion zones or other methods to encourage preservation of some lands. James noted that zoning laws could also be used to preserve lakefront property lot sizes.

Senators Gen Olson (R-Minnetrista) and Michele Bachmann (R-Stillwater) asked about the impact of the LAST system on private property owners' rights. James replied that most of the people who choose to live on large lots with expensive homes also have the ability to pay for that housing choice. However, he said, the current system encourages local governments to create large lots for expensive homes.

## Telecommunications, Energy and Utilities

### Telecom plan reviewed

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Feb. 15, to hear testimony concerning S.F. 554, a major telecommunications industry reform measure.

Jerry Knickerbocker, director of regulatory affairs with the Minnesota Telephone Association (MTA), was the first of several witnesses to address concerns with the bill. He said he wants "regulation of services, not of companies." According to Knickerbocker, the bill presents a clear path to rate increases for consumers. He said small rural providers are seriously threatened by a provision restricting them from charging access fees (fees charged for access to local service facilities to originate or terminate long distance calls). They are also restricted from rate hikes under the bill, which make it almost impossible for them to compete, Knickerbocker said. Small providers are told that they can sell more vertical services, such as voice-mail, caller I.D., etc., to contribute toward cost recovery and a reasonable return on investment, but that will not compensate for the loss of access fees, he said. He continued, "Wireless is the real competitor. The bill requires that a minimum of two providers compete within an area, but wireless providers are not included." Knickerbocker said he also objected to rate deaveraging because "you can't deaverage over the entire state."

Sen. Steve Kelley (DFL-Hopkins), who is carrying the bill, said that Sprint

was an MTA member in favor of rate deaveraging. He asked, "Has the MTA board taken a position on rate deaveraging?" Knickerbocker said that although they have set goals, MTA has not formally taken a stand on the issue.

Representing the Minnesota Association for Rural Telephone, Randy Young said the proposal would export millions of Minnesota access charge dollar reductions to create a windfall for out-of-state long distance telephone companies, with no assurance that long distance companies will pass the savings on to customers. He said that according to the Dept. of Commerce, the measure imposes an annual \$150 million tax on all Minnesotans' local and long distance phone bills, cable TV bills and direct satellite TV bills. Young said the money would be needed to partially replace the windfall handed to the out-of-state long distance telephone companies. The universal fund—a five-cent excise tax imposed on all telecommunications service providers, cable service providers and other providers of multi-channel video programming services—created under the bill is unsustainable, according to Young's report. The tax would go into a universal fund account and be used to reimburse carriers whose costs of providing essential services exceed the state revenue benchmark. He said he also thought the plan robs rural Minnesota of potential economic development by discouraging telephone companies from further investments in advanced telecommunications technologies.

Lakedale Telephone CEO Gene South said "If passed, this bill will increase rates to every rural customer by 200–678 percent." He said that many companies have recently purchased expensive switches and have laid many thousands of miles of fiber optic cables. The access charges provide the revenues for providing advanced services, he said.

Emphasizing the point that the marketplace would eventually undermine the system of access charges, Kelley said that over time there will be less traffic paying access charges to local providers once the cell phone long distance and Internet-based long distance become the standard. "It will become economically impossible for companies to rely on access charges in the future," he said.

Natalie Baker said she was speaking on behalf of consumers as well as for ATT. The framework in the bill relating to

Universal Service is a tenable solution, according to Baker. Under the bill, access charges must be reduced annually by 20 percent per year for 5 years, eliminating the rate by the end of the fifth year. She agreed that technological imperatives will eventually remedy the access charge system regardless of regulation.

Sprint representative Victor Dobras said that under the measure, the Public Utilities Commission (PUC) and the Department of Commerce must initiate five major regulatory proceedings. They include the creation of wholesale service quality rules, the re-pricing of local telephone service for every Minnesota community, the re-pricing of all existing EAS calling services, the creation of retail service quality rules, the investigating of universal service costs and setting of subsidy levels. He said the PUC and Dept. of Commerce are given unlimited authority to bill companies for the cost of their investigation with no oversight. Dobras said that implementing the bill will be costly and time consuming for everyone.

### Telecom bill debated

Witnesses voiced concerns and expressed support for S.F. 554, the telecommunications reform bill sponsored by Sen. Steve Kelley (DFL-Hopkins) at the Tues., Feb. 20, meeting of the Telecommunications, Energy and Utilities Committee meeting. Sen. James Metzen (DFL-South St. Paul), chair of the committee, introduced Nancy Larson, executive director of the Minnesota Association of Small Cities. Her comments focused on the quality of service provided by small rural telecom providers and the pricing structure that enables their continued existence. She said the small rural providers generally perceive the bill as a threat to their financial stability.

Sen. Randy Kelly (DFL-St. Paul) asked Kelley to explain how he proposes to provide service at an affordable cost to consumers. Kelley said the bill works in three ways. First, he said, it sets up a universal service fund that provides phone companies with subsidies to reimburse them for the cost of shortfalls in basic phone service revenues. Second, he said, it also establishes a high-speed service loan fund, a portion of which directs grants to stimulate additional private investment in advanced services. Third, Kelley said the universal service fund replaces hidden subsidies—or long distance access fees—

# Committee update

which remove boundaries to local calling areas.

Administrator Dan Larson testified for the Association of Rural Counties. Larson said the primary concern of rural counties is the elimination of access charges that allow local companies to service local customers. He said that one small company that he knows of receives 70 percent of total operating revenues from access fees. In reply, Kelley emphasized that access charges do not represent a reliable long-term source of revenue because the advancement of cellular services in the marketplace will eventually replace land-line long distance business.

Speaking for the Cable Association, Mike Martin said that Minnesota laws have given cities wide-ranging authority to regulate cable companies. He said that the franchise fees that cable companies pay exceeds what federal law specify under the Telecommunications Act. Martin also said that franchises are awarded by city ordinance and the bill might give cities

the foothold to more actively regulate cable companies. Kelley said that current law allows municipal utilities to enter the cable and high-speed data business—and that the infrastructure allows entry into phone service as well.

Two citizens from Greater Minnesota complained of high phone rates under the current system. Larry Miller of Big Lake said his community is petitioning to have rates reviewed.

Digital Telecom President Dan Terek said he was concerned about phone companies that come into an area and increase access rates. He said that in his area rates grew from 3 cents per minute to 12 cents per minute, making profits vanish for other local carriers. “The Telecommunications Act was put together with the intention of increasing competition, but the competitive local exchange carriers (CLECS) come in and eliminate competition,” he said.

The bill was laid over for further consideration.

## Transportation

### Panel hears bills and transit report

Sen. Randy Kelly (DFL-St. Paul), convened the Transportation Committee Thurs., Feb. 15, to discuss bills and to hear a Metro Mobility overview.

Sen. Cal Larson (R-Fergus Falls), presented S. F. 103. The bill allows for suspension of drivers licenses for up to one year by anyone convicted of gasoline theft. Greg Headrick, executive director of the Minnesota Service Station Association, said that 10 states have enacted similar laws and 2 states have made gasoline theft a felony. Testimony by an owner of five gas stations was given. He said gasoline theft cost him \$40,000 last year. “It would cost me \$19,000 per location to install surveillance equipment and that is why most station don’t have them,” S. F. 103 was approved and sent to the floor.

Sen. Bob Kierlin (R-Winona), offered S. F. 440 for consideration. He proposed



*Congressman Jim Oberstar appears in front of a joint meeting of the Senate Transportation Committee and House Transportation Policy Committee Tues., Feb. 20.*

Photo by David J. Oakes

an amendment that gives a town authority to establish a cart way, at the expense of the town board, not the requesting land owner. He said the bill authorizes the Hokah Town Board to vacate a town road, without voter approval, when the road is extensively damaged from natural disasters. Terry Rosendahl, Hokah Township supervisor, said the Root River floods almost every year because there is a landowner's dike that is old and in serious disrepair. "The river has widened and 2,000 feet of road was taken out from the flooding," said Rosendahl. "In years to come," he said, "it will be a horrendous problem. Last year, there were 5 floods in 3 weeks and that caused road deterioration, which will cost \$200,000 to fix. Hokah is a small city and can't afford it," he said. S. F. 400 was approved and recommended for the Consent Calendar.

S. F. 68, a bill removing designation of a natural preservation on a section of Winona County highway, was laid over until further information and discussion can take place. Chief author, Kierlin, said that when the designation was requested by La Crescent in Winona County in 1995, the residents on the northern section of the highway in Richmond and Hartford Townships, were not included in the process. Winona County resident, Ivan Kubista, said, "The northern section of the highway is in an agricultural area and does not qualify for scenic highway designation." Kelly said, "It seems strange you have this designation without any state authorization. It doesn't sound like there was an open process prior to the designation." The designation process needs to be studied further for possible inclusion in the bill, he said.

Director of Transportation Policy Natalio Diaz, of the Metropolitan Council, presented a report requested by the Legislature last year. The report addresses Metro Mobility as it relates to the Americans with Disabilities Act (ADA). Diaz said the goal of Metro Mobility is to establish a comparable system to the regular transit system for disabled Minnesotans.

Diaz said there are 89 cities and townships in the system that encompasses 1,056 square miles. The service provides nearly 1.2 million rides per year, he said, and 12,000 individuals use the system regularly. By 2020, he said, the service is expected to have 1.4 million to 1.7 million riders. Presently, a fleet of 135

Council-owned vans, 15 sedans and 96 contractor-owned vans are used to operate the system, he said. There are also 33 county operated vans, said Diaz. About two-thirds of the fleet is fully accessible, he said, and riders must be ADA-para-transit eligible to use Metro Mobility. Rides may be requested up to four days in advance and requests are accepted on a first-come, first-serve basis, said Diaz. The largest percentage of riders, 38 percent, are using the system for medical purposes, he said, and riders aged 60 and over make up 60 percent of the rider population with 47 percent of riders living alone. "This is a tremendous door to the outside world for many people," he said.

The Metropolitan Council has been working with the American Red Cross and others, said Diaz, to try to aggregate riders so that up to eight people are riding at the same time. The Council is also planning to integrate Metro Mobility with other transit options such as taxi services, he said. Taxi services could add vehicles to the system, he said, but the taxis are not wheel chair accessible. Diaz also said the Council would also like to see the Legislature allow taxi providers to update their vehicle and install lifts so that a pilot program of service integration can take place.

According to the report, the Council is requesting an 11 percent increase in state appropriations for the 2002-2003 biennium, is seeking dedicated and increased funding and will explore options for federal funding.

### **Oberstar, ramp meter study heard**

The joint Senate and House Transportation Committees convened Tues., Feb. 20, to hear U. S. Representative James Oberstar (D-Minn.) address transportation issues and Marc Cutler from Cambridge Systematics, present MNDOT's ramp meter study results. The meeting was called to order by Sen. Randy Kelly (DFL-St. Paul).

Marc Cutler of Cambridge Systematics gave an overview of the ramp meter study he supervised. He said, "There is a broad level of support for the study and its conclusions. The value of the ramp meter system is very clear and the benefits are persuasive.

The ramp meter system, said Cutler, was a technique used to squeeze the maximum amount of capacity out of the system and it was intended as an interim program. "We are reaching the maximum

benefit and we need to make investments in congestion relief," he said.

The study occurred in the fall of 2000, at a cost of \$651,600. According to Cutler, the goal of the study was to report findings concerning traffic flow and safety impacts associated with deactivating ramp meters. The meters were turned off from October 16 to December 8 of last year and the data collected was compared with a five week study done prior to the deactivation of meters. Four corridors were selected as study areas, I-494, I-94, I-35W and I-35E.

Cutler said, according to the study, travel time increased by 22 percent, crashes increased by 26 percent, freeway speeds dropped by 14 percent and the reliability of travel time declined by 91 percent with the meters off. "The only category worsened by metering was fuel consumption," said Cutler, "which increased annually by 5.5 million gallons."

"The ramp meter study resulted in a benefit/cost analysis that points to an annual savings of about \$40 million to the Metro Area traveling public," said Cutler. He also said, "In a benefit/cost analysis, the benefits of ramp metering out-weight the costs by a significant margin and result in a net benefit of \$32 to \$37 million per year. Cutler's last point was that the analysis indicates benefits are approximately 5 times greater than the cost of the entire congestion management system and over 15 times greater than the cost of the ramp metering system alone.

Conclusions garnered from the study lead to four recommendations. Cutler said field data indicates that ramp metering is cost-effective, but highway users support meter ramp modifications. He said the first recommendation is to adapt a principle that seeks to balance the efficiency of moving as much traffic during the rush hours as possible, consistent with safety concerns and public consensus regarding queue length at meters. He said, "A critical recommendation for the medium-term is to develop a policy for optimizing ramp meter operation that is based on the lessons learned from the evaluation." An additional recommendation points toward the establishment of a systematic process for developing long-range recommendations for ramp meter operation and modifications, he said. The study also recommended that MNDOT respond to the public's need for information on traffic management strategies.

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Cutler said, 750 before and after market research studies were done and a public opinion survey was conducted. The survey showed that before the study, 81 percent of drivers wanted no or modified ramp meter systems compared to 89 percent after the study was completed. About 29 percent wanted to stay with the ramp meter system before the study compared to 11 percent after the study.

Sen. Dick Day (R-Owatonna) said there were 100 ramp meters in the 1960's and today there are over 400. He said there needs to be a balance between freeway operations and public tolerance. Before the study, he said, "People said there would be gridlock on the freeways, it would be a disaster and people wouldn't be able to get to work. That didn't happen." Further, he said, a study of the number of accidents that occurred as a result of turning off meters is not correct because they counted accidents when meters aren't normally operating.

Oberstar addressed members and said, "Congestion is on the rise in America." Worldwide, he said, two-thirds of cars driven and one-quarter of trucks driven are in the U. S. Drivers on average, said Oberstar, are spending an additional week on the roads due to delayed travel time and are using one barrel of petroleum more per driver. Further, he said, "What I'm concerned about this year, is that in the rush to provide tax cuts and prevent deficits, the administration will cut discretionary spending and that could mean transportation funding cuts."

He said aviation accounts are underfunded and it is a capacity and safety issue for America because two-thirds of all air travel is in America. Air traffic is a \$650 billion sector of the U. S. economy, he said. "If this area is going to be a player in the world market," said Oberstar, "we have to keep advancing our system and that means we need highway transit, commuter rail, light rail and aviation to keep us competitive and mobile."

Oberstar said, "We have a crisis regarding port development in this country. Water is the most fuel efficient, least polluting and most environment-friendly mode of moving goods. Legislation is needed for our ports, river-ways and gulf inter-coastal waterways so that we can accommodate vessels that are wider and longer." He said it would be very helpful if a resolution was forwarded to the U. S. Congress stating the need and importance

for funding aid to improve Minnesota's ports and waterways.

"I'm a strong advocate for smart growth, and by that, I mean compact growth," said Oberstar. With the Midwest Rail Initiative, commuter rail and light rail, he said, "I'm for distributive growth and if there is economic development around lines that provide the community with plenty of parking space, people will use the lines." He said the most promising line for high-speed rail is between Chicago and the Twin Cities. "With new high-speed possibilities, you could travel to Chicago in two hours," he said.

Oberstar distributed copies of a report which outlines 22 transportation projects funded through the Transportation Equity Act for the 21st Century (T-21).

MNDOT Commissioner Elwyn Tinklenberg addressed some of the issues introduced by Oberstar. He said the MSP airport ranks 15th in the nation in terms of flight and passenger volume. "It's a powerful force for growth," he said. The runway capacity at the airport is at its limit, but it can be increased, he said, by improving air control technology. "Noise is a capacity issue," he said, "and we have met Stage 3 standards." More cargo operations in the outlying areas are also needed, he said. Tinklenberg said recommended sites would be in St. Cloud, Rochester and Duluth. The federal government has authorized \$250,000 for a MSP airport cargo study, he said. "Reducing the level of cargo transportation at MSP airport would relieve congestion and increase capacity."

## Transportation and Public Safety Budget Division

### Budget overviews heard

Members of the Transportation and Public Safety Budget Division met Tues., Feb. 20, to hear budget requests from Metro Transit and several divisions of the Department of Public Safety.

John Byrd, interim general manager of Metro Transit, highlighted many of his organization's recent accomplishments and goals for the future. Among the accomplishments, he said, was that ridership on Metro Transit buses has increased 18 percent since 1996 to almost 80 million rides in 1999. Metro Transit's customer satisfaction levels have increased by 10 percent according to survey cards and

phone calls, Byrd said. In the Metro Area, 40 companies are enrolled in the MetroPass system for their employees, he said. Metro Transit attributes over 3.2 million rides to MetroPass riders in the past year, Byrd said. In September 2000, Metro Transit and the University of Minnesota launched the UPass program. In only 4 months, over 700 rides have been taken by University students using a UPass card, he said. Byrd also noted that the Metro Transit buses have access to 125 miles of bus-only shoulders. For the future, he said, Metro Transit is looking to greatly expand its fleet.

Discussion of expansion prompted Sen. Dean Johnson (DFL-Willmar), who chairs the division, to ask about \$44 million the Legislature appropriated during the last biennium for buses in St. Paul. Byrd said that the money was appropriated for the Riverview Busway Corridor. Currently, he said, Metro Transit is completing an environmental impact statement and has hired a consultant on the project. The corridor will be operational, Byrd said, as early as 2005. Working on that timeline, Johnson asked if Metro Transit needed all \$44 million during the last biennium. Byrd said that the money was needed in advance to prepare for infrastructure changes along West Seventh Street in St. Paul, where the busway will run.

Byrd then presented the governor's budget recommendations for Metro Transit. With a total operating budget of \$96 million, \$80.2 million is from the state general fund and \$15 million is raised from a \$0.25 fare increase. Johnson asked what effect the fare increase is expected to have. Byrd said that his organization is anticipating a deflection of about 3 percent in the first 12-18 months and then a recovery of those ridership figures over the next 12 months. Day asked how the fare increase would deter so many people, especially in light of current gas prices. Byrd said that most of the riders lost would be express-service passengers who already pay higher fares than passengers who have no option but bus ridership.

Col. Anne Beers, chief of the State Patrol, presented the budget for her division of the Department of Public Safety. She highlighted the State Patrol's responsibilities and presented the governor's budget recommendation. The budget includes a base recommendation of almost \$153 million for the biennium plus



\$4.3 million for two trooper academies, she said. The patrol division needs the academies to restore its complement of officers to 566, Beers said. The budget recommendation for the academies scheduled them for January 2002 and January 2003, she said.

Johnson asked if an academy, perhaps slightly smaller than the 30-trooper academy planned for January 2002, could be operated in July 2001. Beers said that the governor's recommendation would allow such a proposal, since a July 2001 academy would merely involve moving up the schedule for the proposed January 2002 academy.

Johnson also asked how many troopers carry cellular phones or pagers. Beers said that while all state troopers are on-call around the clock, only 25 percent carry a cellular phone or pager. She said that adding cellular phones to troopers' equipment would increase efficiency and safety levels and serve as a backup to the standard radios for communication. However, the governor's budget proposal does not include outfitting the full complement of troopers with cellular phones, Beers said.

The division's Legislative Fiscal Analyst advised Johnson that providing cellular phones to the entire patrol would cost about \$170,000 per year. Sen. Mark Ourada (R-Buffalo) asked Beers if the troopers assigned to executive protection have cellular phones. She said that the troopers assigned to the personal protection of the governor are issued cellular phones. Ourada said that such a policy demonstrates a double standard.

Brian Lamb, of driver and vehicle services, outlined the governor's recommendations for his division. Due to unanticipated demand for motor vehicle license plates and driver license cards, the proposal includes \$1.3 million to fill FY 2001 budget shortfalls. Johnson asked if the division could wait until the final budget bill was passed or if the money was needed now. Lamb said that the division would have to make operating decisions in the ensuing months if it received no assurances that the money was going to be appropriated. "If there is a remote chance we won't get it," he said, "then we will either be running short or have made bad operational choices." The governor's recommendation also includes a proposal to transfer the funding source for driver licensing from the Trunk Highway Fund to

the Special Revenue Fund, he said. According to Lamb, driver license revenue contributes about \$25 million per year to the Trunk Highway Fund and uses about \$22 million a year from the same fund to sustain its activities. The intent of the proposal, he said, is to recognize that driver licensing is a fee-based operation. The recommendation also includes \$3.6 million for technological improvements, Lamb said.

The Bureau of Criminal Apprehension's budget was presented by Superintendent Michael Campion. He said the BCA is developing two new full-service forensic science laboratories. One will be in Bemidji and will open in August 2001, Campion said; the other will open in early 2003. The budget recommendation includes almost \$2.7 million from the general fund and \$715,000 from the Trunk Highway Fund for DWI analysis. Day asked if proposed legislation to lower the legal blood alcohol content limit to 0.08 from 0.10 affects the bureau's budget. Campion said 95 percent of the samples that the BCA receives are already testing at levels at or above 0.08. Thus, lowering the legal limit would not affect the bureau's DWI analysis. Campion also said the bureau was requesting a biennial increase in revenue of \$584,000 from a fee for access to criminal history data. The fee for access would allow the bureau to recoup the costs of placing such data on the Internet.

### Needs assessment study heard

The Transportation and Public Safety Budget Division met Wed., Feb. 21, to hear results of the 2001 needs assessment study prepared by the Highway Construction Industry Council (HCIC). Chair Dean Johnson (DFL-Willmar) called the meeting to order and introduced Jim Waffler, president of HCIC. Waffler said, "We're disappointed that the governor has decided not to focus on transportation funding [in his budget] but hope he will support funding initiatives."

Jerry Bauerly, executive director of HCIC, said according to the study, there were \$800 million dollars in unmet state and county road needs last year. Johnson asked what capacity of funding is being utilized by the transportation construction industry. Bauerly said, "Funding increases haven't taken place since 1988 and contractors are waiting to bid and deliver on any project that is funded."

Matt Schands from the Transportation Policy Institute and author of the 2001 needs assessment study, gave an overview of the findings that includes bridge needs, safety and congestions issues and funding options for needed projects. According to the study, he said, between 1990 and 1997 there was an approximate 100 percent increase in the number of hours drivers are delayed in traffic due to congestion. "It now negatively impacts the efficiency of the economy and the quality of life of Metro Area residents," he said.

Safety on our roads, said Schands, was addressed by comparing the type of roadway where crashes occurred with the number of crashes and fatalities that results. He said, "Road conditions, including the type of roadway, are a factor in about 30 percent of all traffic fatalities in the state." About 77 percent of the fatalities occur on two-lane roads, he said, while 14 percent of fatal crashes occur on roads with four or more lanes. "In Minnesota, 84 percent of major roads, excluding the Interstate system, are two lanes," he said. About 14.4 percent of the state's bridges are deficient and this, he said, includes all trunk highway, county, city and township bridges.

Sen. Julie Sabo (DFL-Mpls.), said, "We can count on a 10 percent decrease in traffic with planned investments. What is going to alleviate congestion and increase safety overall, is to have a balanced transit system."

Sen. Mark Ourada (R-Buffalo), said, there isn't enough money to do things right the first time around and that is why there are transportation deficiencies.

Schands highlighted five of the study's seven funding options for addressing road transportation needs. He said the state could dedicate a sales tax on motor vehicles for transportation. Another option, he said, is to institute an aggressive use of trunk highway bonds. Other alternatives include appropriating monies from the general fund for non-highway projects that are now paid for out of the trunk highway fund, and/or eliminating transfers from the highway trust fund for collection costs. Finally, he said, another option is to dedicate a portion of future budget surpluses to transportation for another one-time infusion of money.

An overview of the Minnesota Department of Public Safety Division of Emergency Management was also presented.

# Preview

Monday, February 26

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** K-12 facility bills. Bills to be determined.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 597-Hottinger: Adjusting payment for ambulance services. S.F. 689-Sams: Establishing eligibility for Medical Assistance for persons needing treatment for breast or cervical cancer. S.F. 789-Berglin: Modifying nursing facility rates for ventilator dependent persons. S.F. 848-Sams: Excluding certain families and individuals from the 18 month barrier for MinnesotaCare. S.F. 892-Hottinger: Changing provisions for supportive housing and managed care pilot project.

## Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Budget presentation for Higher Education Services Office (HESO) by Robert K. Poch, director.

**The Senate will meet at 2: 30 p.m. and will meet in Joint Session with the House of Representatives for Regent Selection at 3 p.m.**

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

5 p.m. Room 118 Capitol

**Agenda:** Continuation of Department of Agriculture budget overview. Department of Natural Resources budget overview.

## Education Committee

*Chair: Sen. Sandra Pappas*

7 p.m. Room 15 Capitol

**Agenda:** "Aiming Higher: Report on Education Standards and Policy for Minnesota," Achieve, Inc. and Council on Basic Education. Academic panel report.

Tuesday, February 27

## Rules and Administration Subcommittee on Committees

*Chair: Sen. Roger D. Moe*

8 a.m. Room 237 Capitol

**Agenda:** Appointments.

## Judiciary Subcommittee on Data Privacy and Information Policy

*Chair: Sen. Don Betzold*

9 a.m. Room 15 Capitol

**Agenda:** S.F. XXX-Betzold: Providing for classification of certain data. S.F. 321-Kleis: Authorizing access to data on substantiated maltreatment of vulnerable adults. S.F. 560-Sams: Allow review organizations to participate in Internet-based information sharing systems. S.F. 757-Price: Authorizing counties to give property owners the option of excluding their names from lists released for non-government purposes. S.F. 939-Betzold: Including metropolitan area towns in the Government Data Practices Act. S.F. 964-Betzold: Expanding St. Paul HRA data provisions to include all housing and redevelopment authorities.

## Transportation Committee

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 56-Wiger: Penalty for trespassing on railroad tracks. S.F. 163-Day: Amending the State Constitution to provide for 60 percent of the sales tax on motor vehicles to be deposited in the highway user tax distribution fund. S.F. 165-Day: Establishing the speed along 35 E in St. Paul as 55 mph. S.F. 391-Oliver: Providing for a single license plate for a registered vehicle.

## Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

11 a.m. Room 107 Capitol

**Agenda:** S.F. 283-Kinkel: Preventing the commissioner of natural resources from comparing conservation officer enforcement activity in the evaluation of an officer's performance.

## Environment and Natural Resources Working Group on Solid Waste

*Chairs: Sen. David Tomassoni and Rep. Tom Hackbarth*

1 p.m. Room 454 State Office Building

**Agenda:** Legislative staff overview of solid waste issues.

## State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 494-Tomassoni: St. Louis County purchasing laws. S.F. 274-Higgins: Respiratory Practitioner Council.

## Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzen*

2 p.m. Room 15 Capitol

**Agenda:** Overview presentations of energy bills: S.F. 722-Metzen: Department of Commerce energy bill; S.F. 443-Metzen: Energy Reliability and Affordability Act (POWER); and S.F. XXX-Metzen: Chamber of Commerce energy bill.

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Department of Natural Resources budget overview.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning: Department of Administration: Office of Technology and InterTech.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Continuation of the Department of Public Safety budget overview.

Wednesday, February 28

## Rules and Administration Subcommittee on Senate Information Systems

*Chair: Sen. Leonard Price*

8 a.m. 224 Capitol

**Agenda:** Continuation of annual review of existing policies and initial IT project requests.

## Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 703-Scheevel: Requiring a waiver of the amount of civil fine in excess of the amount required under the current law for fines levied on dairy producers during a specified period. S.F. 701-Scheevel: Expanding nuisance liability protection for agriculture operations. S.F. 339-Murphy: Regulating agricultural liens; revising and consolidating crop liens and agricultural liens on livestock. S.F. 603-Wiger: Authorizing

special license plates for veterans of the United States military action in Grenada. S.F. 223-Stevens: Providing for loans for certain manure processing and odor control projects.

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 499-Kelly: Authorizing the continuance of joint domestic abuse unit in Ramsey County. Report from Joint Domestic Abuse Unit. Femicide report (MCBW). S.F. 619-Ranum: Domestic violence omnibus bill.

#### **Jobs, Housing and Community Development**

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

#### **Commerce Committee**

*Chair: Sen. Sam Solon*

10 a.m. Room 112 Capitol

**Agenda:** Confirmation hearing of Commissioner James Bernstein, Department of Commerce.

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** All day kindergarten. Bills to be determined

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 318-Pappas: Requiring the commissioner of health to study the regulatory system of birth centers. S.F. 754-Berglin: Mental health initiatives. S.F. 491-Berglin: Providing patient protections. S.F. 796-Samuelsen: Establishing certain patient rights and protections.

#### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Continued budget presentation for Higher Education Services Office (HESO) by Robert K. Poch, director.

#### **Finance Committee**

*Chair: Sen. Douglas J. Johnson*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 101-Johnson, DJ: Unemployment insurance extra benefits for mining company laid off employees. S.F.

183-Price: Wakota bridge reconstruction costs grant.

#### **Tax Committee**

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Review of February forecast and impact on the governor's tax recommendations.

#### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*

Immediately following full committee

Room 15 Capitol

**Agenda:** S.F. 32-Scheid: Exempting certain pets from sales taxes. S.F. 113-Kinkel: Exempting unmarked police cars from sales tax. S.F. 138-Rest: Exempting construction materials used for low-income housing projects. S.F. 195-Lesewski: Exempting admissions to events sponsored by dancing clubs. S.F. 301-Betzold: Authorizing county agricultural societies to retain proceeds for improvements. S.F. 360-Lourey: Providing for application of tax to sales of prefabricated homes. S.F. 475-Vickerman: Exempting certain purchases by counties for road and bridge maintenance and motor vehicles. S.F. 791-Vickerman: Exempting construction materials and equipment for certain agricultural processing facilities.

## **Thursday, March 1**

#### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session Room 112 Capitol

**Agenda:** To be announced.

**The Senate will be in session at 9:30 a.m.**

#### **Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*

10 a.m. Room 107 Capitol

**Agenda:** S.F. 70-Marty: Banning the sale and manufacture of fever or basal thermometers containing mercury. S.F. 326-Vickerman: Requiring that diesel fuel sold in the state contain a minimum of five percent biodiesel fuel oil by weight. S.F. 222-Krentz: Establishing penalties for gross overlimit violations of game and fish laws.

#### **Judiciary Committee**

*Chair: Sen. John Marty*

10 a.m. or immediately following Session Room 15 Capitol

**Agenda:** S.F. 673-Larson: Continuation of mental health treatment facilities medication administration liability limit. S.F. 221-Pappas: Animal cruelty prevention and dangerous dogs regulation provisions modifications. S.F. 231-Betzold: Revisor's cleanup bill. S.F. 617-Knutson: Uniform Parentage Act (2000). S.F. 824-Kelly, R.C.: Good samaritan law emergency care liability immunity clarification.

#### **Capital Investment Committee**

*Chair: Sen. Keith Langseth*

1 p.m. Room 123 Capitol

**Agenda:** Overview of asset preservation issues from the Dept. of Administration, University of Minnesota and MnSC. Overview of wastewater infrastructure funding program.

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 144-Metzen: Soccer field grants program. S.F. 669-Metzen: Ice arena grants program. S.F. 646-Rest: Hennepin Regional Park District. S.F. 849-Vickerman: Rural Policy Development Center. S.F. 570-Reiter: Repealing obsolete rules.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Department of Natural Resources budget overview.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detail: Continuation of presentation by Department of Corrections, and if time, the Department of Health.

#### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*

4 p.m. Room 316 Capitol

**Agenda:** S.F. 69-Murphy: Providing exemption for materials used for correctional facilities. S.F. 268-Robling: Exempt smoking cessation devices. S.F. 426-

Kelley, S.P.: Exempting vending machine sales. S.F. 589-Foley: Expanding exemption for home heating fuels. S.F. 724-Stumpf: Authorizing county agricultural societies to retain certain sales tax proceeds and use proceeds for improvement. S.F. 800-Kinkel: Exempting equipment and materials used to make improvements to certain resorts. S.F. 870-Robling: Exempting certain purchases by licensed child care facilities. S.F. 942-Tomassoni: Exempting admissions to high school league tournaments.

**State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning the Department of Administration: Operations Management Bureau, Facilities Management Bureau, and the Management Service Bureau/Fiscal Agent.

**Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** To be announced.

## Friday, March 2

**Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Information on Methamphetamines in Minnesota, Tim O'Malley, special agent in charge, BCA, Department

of Public Safety. S.F. 861-Berglin: Adding the chemical known as MDMA to the list of schedule I controlled substances. S.F. 863-Kelly, R.C.: Classifying Carisprodol as a controlled substance.

**Jobs, Housing and Community Development**

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

**Education Subcommittee on Early Childhood Education**

*Chair: Sen. Becky Lourey*

12:30 p.m. Room 112 Capitol

**Agenda:** Review of latest research on early childhood development. Response to the Legislative Auditor's Report on early childhood education programs. Child care consolidation.

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# Senate Briefly

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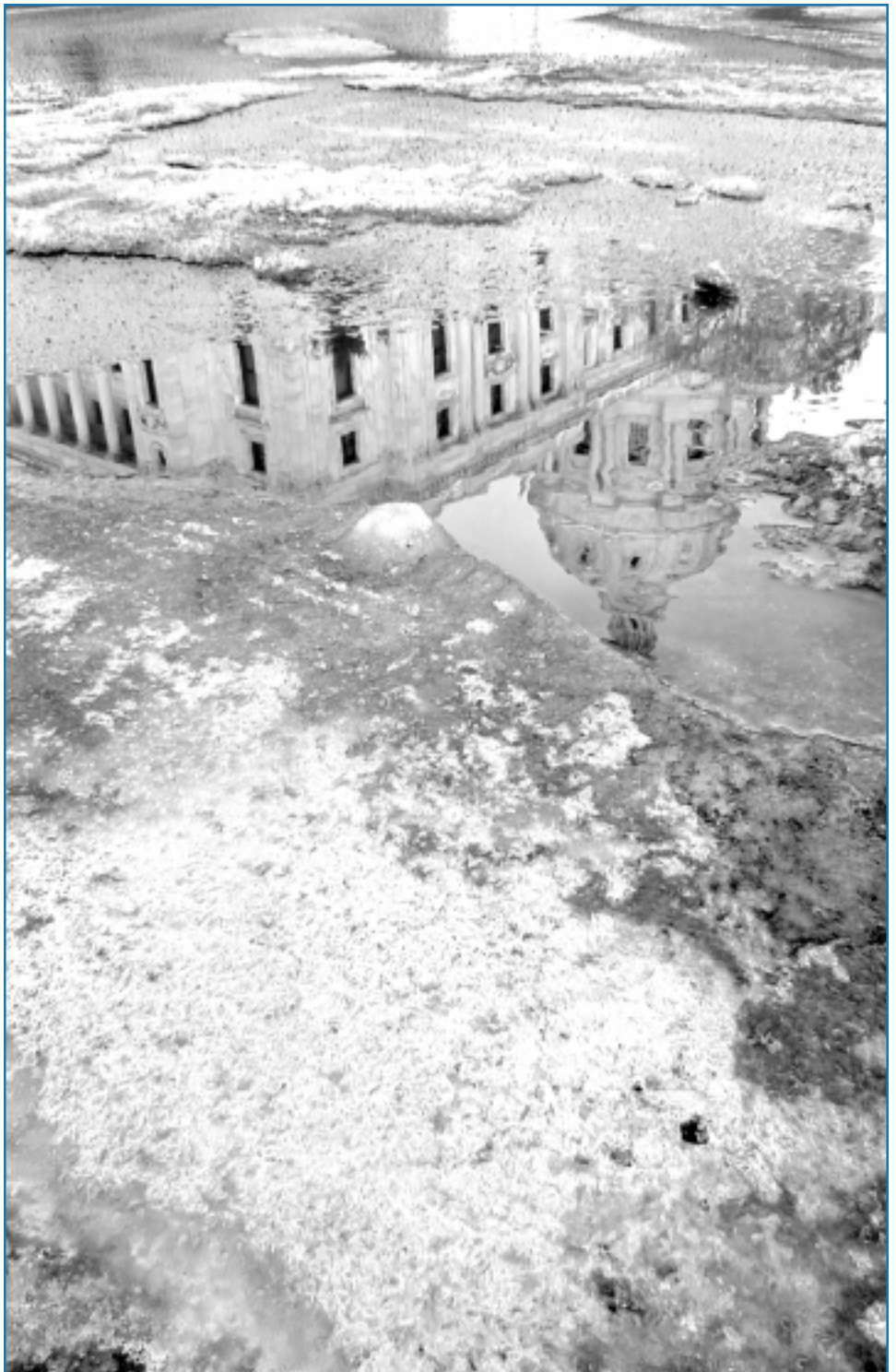
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*Melting snow provides a reflecting pool for the Capitol building and a reminder of spring's inevitability.*

*Photo by David J. Oakes*



*March 2, 2001*

# Senate Highlights

## Forecast reviewed

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Weds., Feb. 28, to hear a report on the February economic forecast prepared by the Department of Finance. Pogemiller introduced Commissioner Matthew Smith, Department of Revenue, who highlighted major elements of the forecast and the possible impact on the governor's budget proposal. The most significant item in the forecast was the decline of the projected surplus to \$856 million.

Pogemiller reminded the committee that Smith would not be able to comment on specific adjustments the governor might make to his proposal because those decisions have likely not been made yet. The forecast must be presented to the governor at about the same time as it is presented to the Legislature, Pogemiller said. Smith said that the governor had made his budget recommendations without either the November 2000 or the February 2001 forecasts in mind. He added that, from what the governor had repeatedly said before the February forecast was released, the governor's fundamental policy goals will still be met. A full rebate of the projected surplus is still atop the

governor's agenda, Smith said. However, due to the \$67 million decrease in the projected surplus, the average rebate check will be \$30 smaller, he said.

"The major tax reform elements in the governor's budget will still be here after forecast adjustments are made," he said. Smith responded to several questions from members of the committee seeking clarification, including one from Pogemiller on the volatility of the sales tax. Smith said a broader sales tax—especially one on services and short-term consumer goods—would be much more stable than the current sales tax. Other Senators asked Smith about possible effects of national tax reform on the financial forecast, education planning estimates, capital gains tax revenue and health care spending.

## Animal cruelty bill debated

Sen. Don Samuelson (DFL-Brainerd) presided over the Monday, Feb. 26, session of the Senate, in which several bills were discussed on General Orders.

The most contentious bill was S.F. 197, authored by Sen. Don Betzold (DFL-Fridley). Many Senators raised questions about the provisions of the bill, which increases to felony status the criminal

penalties for cruelty to pets or companion animals. Sen. Bob Lessard (IND-Int'l. Falls) called Senators to look closely at the ramifications of the bill. Sen. Michele Bachmann (R-Stillwater) asked if the bill allows people to be prosecuted even if they are defending themselves from attack by an animal. Betzold said defendants always have the right to argue self-defense as grounds for their actions. Sen. Mady Reiter (R-Shoreview) suggested the possibility of frivolous charges being instigated but Betzold said the standard of proof prevents unfair prosecution.

Sen. Thomas Neuville (R-Northfield) said the bill's penalties go too far in comparison to similar crimes committed against humans. Sen. Steve Kelley (DFL-Hopkins) questioned the bill on the same grounds. He pointed to similar provisions in S.F. 7, authored by Sen. Charles Wiger (DFL-North St. Paul). S.F. 7 pertains only to mistreatment of animals that assist persons with disabilities and was approved earlier in the floor session. Kelley said the Betzold bill includes harsher penalties for harming pets than those in S.F. 7 for harming assistive animals.

Sen. Charles Berg (R-Chokio) and Sen. Pat Pariseau (R-Farmington) said Betzold's bill may interfere with the routine activities of farmers or trappers, such as shooting stray cats or attempting to poison raccoons. Betzold said that, since the bill requires criminal intent to be proven beyond a reasonable doubt, prosecutors will hold such activities harmless. He said the bill does not make anything illegal that isn't already illegal. Sen. Dennis Frederickson (R-New Ulm) offered an amendment to address Berg's and Pariseau's concern. The amendment, which specifies that the law does not apply in agricultural areas, was opposed by Betzold. A division of the Senate showed the amendment prevailing by a count of 29 to 26. Betzold asked that the measure be progressed to a later floor session.

S.F. 229, authored by Sen. Jane Ranum (DFL-Mpls.), requires that relevant victims be notified when a convicted criminal attempts to have his or her record expunged. Ranum successfully offered an amendment to change the requirement in cases where a restraining order has been issued. Sen. Warren Limmer (R-Maple Grove) offered another amendment to make the bill's language parallel to that used in a similar statute regarding the seeking of pardons. His amendment was

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adopted as well and the bill was recommended for passage.

Betzold moved the passage S.F. 555, which makes numerous changes to the process of administrative rule-making. Two technical amendments were adopted, as well as an amendment by Sen. Dan Stevens (R-Mora) that clarifies an administrative law judge's discretion in settling rule disputes. Sen. Jane Krentz (DFL-May Township) said the power given to individual committees to bar the enactment of a rule is too strong, especially in cases where more than one committee has jurisdiction. Betzold said a majority of a committee's membership is required and a committee from each body must vote to bar the rule. The bill was given preliminary passage.

Sen. Gen Olson (R-Minnetrista) successfully offered an amendment to S.F. 647, authored by Sen. Ann Rest (DFL-New Hope). The bill is a resolution invoking the U.S. Congress to fund 40 percent of special education costs and the Olson amendment strengthens the language, calling for funding adequate enough to make it unnecessary to tap general education funds.

Other bills were given preliminary passage without changes. S.F. 266, authored by Sen. Jim Vickerman (DFL-Tracy) requires that aggregates be considered in the land use planning of local governments. Another bill authored by Vickerman, S.F. 110, provides for the creation of a non-profit corporation to run the Prarieiland Exposition Center in Worthington. S.F. 225, authored by Sen. Dean Johnson (DFL-Willmar), amends requirements governing the use of restraints with persons who are civilly committed. A bill authored by Wiger, S.F. 520, designates August 7 as Combat Wounded Veterans Day in the state. S.F. 174, authored by Sen. Roger D. Moe (DFL-Erskine), adds carrots to the list of agricultural products eligible for a gross weight seasonal increase permit for transportation on state roads.

Three bills were approved that affect licensure. S.F. 289, authored by Sen. Dallas Sams (DFL-Staples), extends a temporary licensing status for alcohol and drug counselors. S.F. 417, authored by Sen. Arlene Lesewski (R-Marshall), prohibits the human services commissioner from denying a license based on expunged records. S.F. 359, authored by Sen. Sheila Kiscaden (R-Rochester), amends licensure requirements for chiropractors.

Several bills grant new authority to cities and counties. S.F. 509, authored by Sen. Claire Robling (R-Prior Lake), grants counties and cities statewide the authority to use credit cards and other electronic transfers for authorized transactions. S.F. 510, authored by Sen. Sandra Pappas (DFL-St. Paul), provides a process whereby counties may make certain county offices appointive instead of elective. Sen. Myron Orfield (DFL-Mpls.) carried S.F. 741, which provides Hennepin County the authority to grant paid leave to certified emergency services volunteers. Cities, meanwhile, are allowed under S.F. 9, authored by Wiger, to offer housing assistance as an incentive to attract employees for fire or paramedic services.

Bills of a technical or housekeeping nature were recommended for passage as well. S.F. 249, authored by Sen. Twyla Ring (DFL-North Branch), and S.F. 615, authored by Sen. Jane Krentz (DFL-May Township), both repeal a number of obsolete administrative rules. S.F. 456, carried by Sen. Linda Berglin (DFL-Mpls.), codifies an existing rule allowing access to respite care facilities for mental retardation waiver recipients. Another bill by Betzold, S.F. 346, makes a number of non-controversial changes to probate and trust law as recommended by the Minnesota Bar Association. S.F. 327, authored by Lesewski, repeals obsolete statutes originally passed in 1904 pertaining to male animals wandering free in towns.

A few bills already passed by the other body were recommended for Senate passage. H.F. 80, carried in the Senate by Sen. Debbie Johnson (DFL-R-Ham Lake), authorizes the installation of lake level controls on Coon Lake. Sen. Randy Kelly (DFL-St. Paul) brought H.F. 393, which places employees of Ramsey County and the city of St. Paul on equal footing for vacant jobs. H.F. 57, carried in the Senate by Robling, expands the list of disqualifying offenses for people applying for a school bus endorsement on their driver's licenses.

In other business, the Senate passed one bill on the Consent Calendar. H.F. 106, carried by Sen. Steve Dille (R-Dassel), extends the life of the Minnesota Agricultural Education Leadership Council.

The Senate also met for a very brief floor session Thurs., Mar. 1, in order to process bill introductions and committee reports.

## Three housing bills advanced

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), discussed three bills Fri., Feb. 23.

The Senators addressed funding for supportive housing for people with development disabilities, capacity building initiatives for nonprofit organizations and loans for exterior repairs on homes.

S.F. 867, authored by Sen. Martha Robertson (R-Minnetonka), provides funding for School District 287 to assist in the development of supportive housing that allows adults with developmental disabilities to live independently. John Hetterick, No Place Like Home Communities resource development committee chair, said the development will provide the education, social services support and affordable housing necessary for adults with developmental disabilities who live alone. He said the project combines funding from residents' family members, charitable organizations and the school district. Doug Mayo, Common Bond Communities director of housing management, said no site has been chosen for the development.

Senators advanced S.F. 867 to the Finance Committee.

The committee also approved S.F. 816, a bill to fund capacity building measures for nonprofit organizations, and re-referred it to the Finance Committee.

The bill, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides grants for community foundations that give money to nonprofit organizations to fund their capacity building efforts. The grants may be used for board training, financial system development, strategic planning, technological upgrades and similar organizational improvements.

The committee also re-referred to the Finance Committee S.F. 534. The bill establishes pilot programs that give low interest loans for external improvements to blighted homes.

Sen. Steve Kelley (DFL-Hopkins), author of the bill, said he had considered the recommendations made by committee members during an earlier meeting and made changes to the legislation. He said the bill now requires one-third of project funds be used in communities outside the Metropolitan Area. He also said the bill prioritizes improvements that increase energy efficiency.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Farm lawsuit bill heard

The Agriculture, General Legislation and Veterans Affairs Committee approved five bills Weds., Feb. 28. Committee Chair Steve Murphy (DFL-Red Wing) presided.

S.F. 701, authored by Sen. Kenric Scheevel (R-Preston), sparked the most debate. The bill increases protection from nuisance lawsuits for farm operations. Scheevel explained that current law provides a two-year probation period for new farm operations during which nuisance lawsuits may be brought. If the agricultural operation is significantly altered, it is subject to another two-year probation period.

The first part of the bill, Scheevel said, provides that the probationary period cannot be renewed as a result of changes in ownership, size, scope, type of product produced, technologies used, enrollment of land in government programs, or as a result of a temporary interruption in farming activities, as long as the operation is not violating state laws, rules or permits. Scheevel said, "In this day and age, agricultural operations change rather rapidly."

Al Christopherson, president of the Minnesota Farm Bureau, said that agricultural operations became more flexible after changes in government farm programs in 1996. He said, "If we're trying to pursue a niche market it's conceivable we could go an extended period of time without protection from nuisance lawsuits."

Sen. Chuck Fowler (DFL-Fairmount) expressed reservations about the change in ownership clause, and Scheevel offered an amendment requiring the new owner to be eligible to farm under corporate farm law. The amendment was adopted.

A second provision in the bill, Scheevel said, states that a feedlot facility with a swine capacity of over 2,000 animal units is not eligible for nuisance suit protection. Counsel estimated that 2,000 animal units is equal to 5,000 sows. The previous maximum was 1,000 animal units. Scheevel said the change makes swine operations comparable to cattle operations, for which the maximum is 2,500 animal units.

Sen. Becky Lourey (DFL-Kerrick) expressed support for the bill but offered

an amendment to change the swine maximum back to 1,000. The amendment was defeated. Sen. Steve Dille (R-Dassel) pointed out that no mention of poultry operations is made in the provision.

Tom Dunnwald of Clean Water Action testified in opposition to the bill, saying it interferes with landowner rights. He said most of the people who complain about smell are not newly arrived from the city, but long-term residents of a rural area. He said, "It should not be possible to externalize the impacts of production to neighbors and then say 'That's how we're going to do it from now on.'" The bill was sent to the Environment and Natural Resources Committee with a recommendation to pass.

Sen. Dan Stevens (R-Mora) sponsored S.F. 223, a bill that provides \$10 million for interest free loans of up to \$200,000 for projects that process manure. He introduced dairy farmer Dennis Haubenschild. Haubenschild said his farm uses anaerobic digestion to reduce odor and in the process produces enough electricity from methane gas to sell to a local co-op. Traditional lending institutions turned down the proposal, Haubenschild said, because the process is so experimental.

Sen. Jim Vickerman (DFL-Tracy) pointed out that the bill says loans may be used for any manure odor control process. Stevens offered an amendment specifying that the loans are "for projects that process manure, control odor and produce usable energy." The amendment also provides that the loans are only available to farmers. The amendment was adopted.

Don Frerichs of the Department of Commerce said the department is conducting a survey of the total electrical potential from projects that convert manure into electricity. "One of the biggest obstacles we have now in having people take a look at the technology is financing," he said. He added that a demonstration project is needed to prove that swine are also viable for the new technology. The bill was referred to the Finance Committee with a recommendation to pass.

Sen. Charles Wiger (DFL-North St. Paul) presented S.F. 603, which requires that a special license plate be designed for veterans who served in the 1983 military action in Grenada. Wiger said there are already license plates for veterans of the world wars, the Korean conflict, the Vietnam War, and the Persian Gulf War. Sen. Dallas Sams (DFL-Staples) asked

about the cost of the new plate. Murphy said individuals are required to cover the cost of making a special embossed plate, but there are some production costs involved. The bill was sent to the Transportation Committee with a recommendation to pass.

Scheevel presented S.F. 703, a bill that waives excess dairy fines. Scheevel explained that the bill is a result of an oversight. A bill passed last session, he said, provides that civil fines for dairy producers cannot exceed the amount of milk contaminated on a shipment. Although the bill was signed April 13, 2000, its enactment date was August 1, Scheevel said. The new bill waives civil fines levied on dairy producers between the two dates that exceed what is allowed under current law.

Doug Engebritson of the Department of Agriculture said, "The bill is consistent with what we intended at the Department of Agriculture to accomplish as we worked through the legislative process a year ago." Scheevel said that eight dairy operations have been assessed fines that will be waived under the bill, and one operation that paid its fine promptly will be re-funded \$11,788. The bill was sent to the floor with a recommendation to pass.

Finally, Murphy sponsored S.F. 339, which revises and consolidates agricultural liens. Murphy says the bill condenses 20 sections of law into 4 sections. He said it makes no substantial changes in the lien process. The bill was re-referred to the Judiciary Committee with a recommendation to pass.

## Commerce

### Commissioner approved

In a brief, inaugural meeting, members of the Commerce Committee met Weds., Feb. 28, to recommend the confirmation of James Bernstein as commissioner of the Dept. of Commerce. Bernstein has been serving as temporary commissioner since February 2000. His appointment as commissioner has been awaiting Senate confirmation since July 31, 2000.

Bernstein said that he does not have any experience or background in any of the industries the department regulates. Rather, he said, his experience is in public affairs and communications, where he served as the eyes and ears for clients. Within the department, Bernstein noted, he considered it important to have experts



in key positions. Sen. Deanna Wiener (DFL-Eagan) said that she considered his decision to keep deputy commissioners who have built relationships with Legislators a wise one.

Questions from Senators Mady Reiter (R-Shoreview) and Cal Larson (R-Fergus Falls) elicited comments from Bernstein about his role as commissioner and initiatives he considers especially important. Bernstein said he doesn't intend to take a leadership position in the National Association of Insurance Commissioners, but that the organization does provide good model legislation. Some of the NAIC's models, he said, will be used as the bases for proposals to come before the Senate during this session. Bernstein also said that one of the most important issues in the state is the need for long-term care insurance availability.

The committee, on a voice vote, approved Bernstein for appointment and re-referred his nomination to the Telecommunications, Energy and Utilities Committee.

## Crime Prevention

### Federal agent bill approved

A bill authorizing federal law enforcement officers to exercise their arrest authority in Minnesota was discussed at the Fri., Feb. 23, meeting of the Crime Prevention Committee meeting. Sponsored by Sen. Randy Kelly (DFL-St. Paul), S.F. 756, attempts to correct an anomaly in our statute, he said. Under the bill, an officer or employee of the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration, the United States Marshall Service, the Secret Service, the Bureau of Alcohol, Tobacco, and Firearms, or the Immigration and Naturalization Service are provided the status of peace officer. Currently, Minnesota law does not provide federal law enforcement officers with the additional liability protection afforded by peace officer status. Kelly said that the adjoining states of Wisconsin, Iowa, North and South Dakota provide for peace officer status, but Minnesota does not. Sen. Don Betzold (DFL-Fridley) offered an amendment to include federal enforcement officers who are already working in the state. The bill was approved as amended and re-referred to the Judiciary Committee.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 711. The bill modifies the

school trespass law to also prohibit being found on the roof of a school building. Foley told the panel that the bill was created in response to an event that occurred in the Anoka School District. Two individuals were found on the roof of a school building and attempts were made to charge them with trespassing on school property. Under current law, being on top of a school building is not a chargeable offense. Sen. Thomas Neville (R-Northfield) offered an amendment to clarify that it is a misdemeanor offense to be on a school roof unless given express permission to do so from a school official. The bill was approved as amended and referred to the floor for placement on the Consent Calendar.

Sen. Linda Berglin (DFL-Mpls.) sponsored S.F. 161, a bill to appropriate money for grants related to restorative justice programs. Berglin said that \$1.7 million was awarded in the past for the programs, but the administration deleted the appropriation in the latest budget. She said the programs were proven effective in reducing crime and the funding should be continued. Under the bill, an unspecified amount is appropriated for the fiscal year ending June 30, 2003, from the general fund to the commissioner of corrections for restorative justice grants. Berglin offered an amendment, which was adopted, to delete language that specifies membership on an interagency committee responsible for choosing restorative justice grant recipients. Neville said he wanted to give preference to programs that were proven successful, and offered an amendment to that effect. The amendment was adopted.

Several witnesses testified in favor of the bill. Woodbury Police Dept. Officer Dave Hines said that the restorative justice programs were very successful and were responsible for impressive reductions in recidivism rates. Walker United Methodist Church Pastor Roger Lynn cited examples of successful programming in his Powderhorn community. He said the program provides an empowering process through which victims and offenders work through problems and solutions cooperatively. Don Johnson, Hennepin County Attorney's Office, said that as a prosecutor and restorative justice trainer, "the programs add value to work we are already doing." He said the victim gets involved early on in the process and that everyone benefits. Members voted to approve the

bill and re-refer it to the Committee on Finance.

Sen. Satveer Chaudhary (DFL-Fridley) sponsored SF. 773, a bill that requires the commissioner of corrections to conduct a recidivism study of DWI offenders who have been placed on electronic alcohol monitoring. He said the idea for the bill arose out of a prior committee discussion concerning DWI repeat offenders and treatment. Electronic monitoring seemed to be effective in reducing recidivism rates, Chaudhary said, but a baseline study had not yet been conducted. The bill requires that the characteristics and performance of program participants be compared with those of one or more control groups, with specified criteria. The bill was amended to require that the report be presented to the chairs and members of the Senate and House committees by Feb. 15, 2002.

Tenth Judicial District Judge James Dehn was introduced as a leader in the use of electronic monitoring. Dehn told members that the system had been implemented in 30 counties in Minnesota since 1993 and that it costs approximately \$300 per month per monitor. The system utilizes video telephones plugged into home phone lines, which are checked three times per day, he said. The panel approved the bill and advanced it to the Consent Calendar.

Sen. Becky Lourey (DFL-Kerrick) carried SF. 719, a bill that exempts hiring and licensing authorities from criminal rehabilitation provisions in regard to emergency medical service (EMS) personnel. Lourey said the Board of Medical Practice has already been exempted from the policy of rehabilitation and her bill adds the category of EMS to the statute. The revision was conceived, she said, since EMS personnel are often alone in emergency vehicles with children. The bill was approved and advanced to the floor.

### Domestic violence bill heard

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Weds., Feb. 28, to consider two bills related to domestic violence.

Ranum told the panel that Minnesota was recognized nationally as a leader in providing programming and legislation to address the problem of domestic violence. "Sadly, this year Minnesota had more

# Committee update

murders related to domestic violence than ever recorded in the state's history," she said. Ranum asked, "What standards should offenders be required to attend?" Programs should be provided that are grounded in best practice standards to keep offenders from re-offending, Ranum said.

Ranum reviewed S.F. 619, the domestic violence omnibus bill, which includes standards for programs offering counseling for court-ordered domestic abuse offenders, the establishment of a grant program to correctional agencies for supervising high risk offenders, the expansion of the definition of abuse in the domestic abuse order for protection and changes in the penalty provisions of fifth-degree assault, domestic assault, harassment restraining order and harassment/stalking laws to make them consistent with laws in other states. The measure expands the

application of provisions that apply to pretrial release in domestic abuse and harassment cases to include cases involving violations of orders for protection and domestic abuse no contact orders. Several provisions guide the courts in making pretrial release determinations and include the review of arrest and detention facts to determine whether or not release of the person poses a threat to the victim or to the public.

A provision requires that when the court stays a sentence for a domestic abuse offense and when a corrections agent recommends a counseling program for the offender, the court is required to order that the offender participate and complete the program. Under the measure, the presentence investigations law is amended to require that the report include a specific recommendation concerning the defendant's participation in a domestic abuse

counseling program. A portion of the bill requires that offenders pay the costs of counseling or educational programs related to abuse. Sen. Linda Berglin (DFL-Mpls.) said it was unlikely that funds for counseling grants were available and that getting better day jobs for offenders and making them pay full counseling costs would be a valuable alternative.

Minnesota Coalition for Battered Women's Legislative and Public Policy Coordinator Cyndi Cook said the term "femicide" was coined because the commonly used term "domestic dispute" downplays what is really happening. In the year 2000, she said, at least 40 women died in Minnesota from domestic violence and at least 6 children died from child abuse. Her report included cases of women murdered where the suspected, alleged or convicted perpetrator was a current or former husband, boyfriend,



Senator LeRoy Stumpf, chair of the E-12 Education Budget Division, receives a big hug from The Cat in the Hat during a special presentation in front of the division promoting "Read Across America" on Weds., Feb. 28.

Photo by David J. Oakes

intimate partner, household or family member. Cases of children murdered included cases where the suspected, alleged or convicted perpetrator was a husband, boyfriend or intimate partner of the child's mother, or a parent/foster parent, guardian, babysitter, household or family member.

Testimony provided by a probation officer in Hennepin County indicated that in 1993-1994 domestic abuse recidivism rates declined by one-third following implementation of counseling programs. Ranum emphasized the importance of a systematic approach in guiding judges for first-time offenders. She said, "It's how we treat the first case—which is usually treated as a misdemeanor—in terms of what happens down the road."

Sen. Thomas Neuville (R-Northfield) offered an amendment, which was revised and adopted, to allow persons served and arrested in cases of domestic violence to have a reasonable opportunity to pack and leave their homes following probable cause orders. Neuville said he was also concerned that cases of domestic abuse perpetrated against men be addressed equitably. The measure was approved and re-referred to the Judiciary Committee.

Sen. Randy Kelly (DFL-St. Paul) carried a bill, S.F. 499, to authorize continuance of the joint domestic abuse prosecution unit in Ramsey County. The Ramsey County Attorney's Office and the St. Paul City Attorney's Office piloted a project established by the Legislature in FY 2000. The goals of the project include recognizing children as both victims and witnesses in domestic abuse situations, recognizing and respecting the interests of children in the prosecution of domestic abuse and reducing the exposure of domestic violence for both adult and child victims. The measure requires that a report detailing the number and type of cases referred and charged, the outcomes of the cases and other relevant outcomes be provided to the Legislature by Jan. 15, 2002. The measure was approved and advanced to the Finance Committee.

## Education

### Profile of learning update

An update and status report on graduation standards and a report on education standards was presented to the Education Committee by Jessie Montano, CFL assistant commissioner of teaching

and learning. Sen. Sandra Pappas (DFL-St. Paul) chaired the Mon., Feb. 26 meeting.

Montano said a panel of education experts was selected, as mandated by the 2000 Legislature, to examine, evaluate and seek ways to sustain the rigor of the Profile of Learning standards. The 12 member committee, she said, analyzed a report of education standards and policy for Minnesota prepared by Achieve, Inc. and the Council for Basic Education (CBE).

Achieve and CBE, she said, concluded the report with nine recommendations for improvement. The first three recommendations, she said, help streamline the Profile of Learning, increase consistency across the state and ensure that CFL is appropriately staffed to carry out the mandate. She said recommendation four enhances the ability of school districts to implement and use the profile as designed. Improving the quality of teachers to use the profile in meaningful ways is addressed in recommendations five through nine, she said.

The panel, said Montano, has analyzed and responded to four of the report's recommendations, thus far. Report recommendation one, she said, suggests a revision of the profile standards be conducted to give them more clarity, specificity, rigor and depth. The panel's response is to convene groups of educators immediately to address refining the clarity of the language of the standards across all grade levels and learning areas, she said.

Recommendation two proposes educators focus standards on core subject areas and develop statewide performance assessments, measure student achievement of the areas, and tie the assessments to graduation requirements. The panel disagrees with the recommendation to reduce required standards to core subject areas only, but does suggest consolidating some learning areas as long as the breadth and comprehensiveness of the standards are preserved, she said. However, the panel does believe that local performance assessments should continue to be the measure of a student's completion of a standard, she said, and statewide performance assessments should not be developed and used for graduation requirements.

Montano said taking steps toward a more comprehensive system that holds not only students but schools and districts accountable for their performance, is the

third report recommendation. The panel agrees and proposes CFL continue the development of a statewide accountability system for schools, she said. The panel also believes the system should be based on multiple measures and not be dependent on a single measure or mean, said Montano.

The last report recommendation studied by the panel, she said, suggests CFL continue to build and sustain public support for education reform.

Because the group believes CFL can best facilitate the involvement of best practice teachers, educators and experts, experienced in standards-based reform implementation, it recommends that CFL be given responsibility for leading an on-going process of continuous improvement to refine the state's graduation standards, she said.

Testimony was heard from three panel members, several education professionals and authorities. Three New County School students who are using the profiles to direct their course work also testified. Dan Gerold, grade 11, Jessica Norman, grade 8 and Sadie Frauendienst, grade 9, all spoke positively about their experience.

Testimony was heard from Academic panel members Carol Anderson, dean of the College of Education at Winona State University, Ellen Delaney, a math teacher from the North St. Paul - Maplewood - Oakdale School District and 1998-99 Teacher of the Year, and Richard Spicuzza, assistant director of research, education and assessment at Minneapolis Public Schools.

Montano distributed copies of an executive summary entitled "Urban Education, Teacher Preparation, and the Implementation of Minnesota's Graduation Standards," a report that studies how urban school districts are implementing the new graduation standards and how the standards might need to be modified. The report, she said, concludes with a recommendation that the link between policy and implementation be given greater scrutiny during the policy development stage so that possible outcomes and diverse circumstances receive consideration prior to implementation. More specific recommendations with respect to graduation standards and the challenges of creating any kind of positive change in urban education are also specified, she said.

# Committee update

## E-12 Education Budget Division

### All-day kindergarten bills discussed

A discussion of all-day kindergarten dominated the E-12 Education Budget Division Committee Mon., Feb. 26.

Anne Cutler of the Department of Children, Families and Learning gave an overview of the all-day kindergarten program. Presently, she said, all-day, every-day kindergarten includes 126 school districts at 282 sites across the state. She also said the governor recommends a continuation of the \$7 million per year funding level for FY 02 and FY 03.

S.F. 167, authored by Sen. David Tomassoni (DFL-Chisholm), expands revenue for the grade-one preparedness program, to include qualified property-poor districts. He said, under S.F. 167, the program criteria is changed so that districts, in addition to sites, qualify for all-day kindergarten revenue. If enacted, he said, the bill encompasses 21 districts, 1,269 students and provides a \$200,000 appropriation for new site expansion or full-funding of existing programs.

A bill establishing funding for voluntary all-day kindergarten, was presented by author Sen. Ann Rest (DFL-New Hope). S.F. 354, she said, provides an appropriation of \$120 million for the program.

Phasing-in full day kindergarten for all students is provided for in S.F. 879, said chief author Sen. Jane Ranum (DFL-Mpls.). The bill phases-in escalating funding amounts and an increased number of sites and students yearly, beginning in FY 02 and ending in FY 07, when all sites are fully funded and eligible for all-day kindergarten, said Ranum.

All Minneapolis, St. Paul and Greater Minnesota sites that have a 50 percent student participation rate in the free and reduced lunch program, and all suburban sites above a 25 percent program participation rate qualify under S.F. 879, said Ranum.

"The bill provides grade-one preparedness to 32 percent of our sites," she said. Sen. LeRoy Stumpf (DFL-Thief River Falls), division chair, said that while Rest's bill includes pupil weighting, Ranum's bill will eventually cost less because it also includes funding from the present all-day kindergarten bill.

Sen. Sandra Pappas (DFL-St. Paul), put forth an all-day kindergarten proposal that provides intensive language study for English as a Second Language (ESL) students. Because young children are sponges and learn language easier and faster than older children, said Pappas, providing English lessons for ESL students is less expensive in the beginning grades and saves money by eliminating the need for more expensive remedial work later.

Testimony in favor of grade-one preparedness was given by Kari Knutson, an all-day kindergarten teacher and past president of the Minnesota Kindergarten Association. Sen. Martha Robertson (R-Minnetonka), asked her if the 80 percent of kids enrolled in half-day kindergarten, who don't qualify for full-day funding, are getting slighted. Knutson, said, "Yes. There is a definite advantage for those who attend all day." Advantages were outlined by Julie Ingstad, Parkview Montessori school teacher. She said all-day kindergarten enhances language development and problem-solving skills. Students have better attendance rates, she said, and more one-on-one time with teachers. The consistency of a daily routine is a large benefit, especially for children from chaotic homes who need help with learning skills, said Knutson. "They have time to read and question, time to process and deal with conflicts and time to know other students," she said.

Stumpf asked members to consider the bills presented and decide what direction all-day kindergarten should take as well as the extent to which available funding will allow program growth. No action was taken on the bills.

### Facilities bills heard

The E-12 Education Budget Division was dominated with discussions on alternative facility funding and debt service equalization bills at the Weds., Feb. 28 meeting. Sen. LeRoy Stumpf (DFL-Thief River Falls) chaired.

Tom Melcher from the Department of Children, Families and Learning presented the K-12 facility law. He said the statute was last updated in 1995. Currently, he said, there are \$3.5 billion in unmet facility needs in districts.

In an effort to address those needs, three proposed bills augmenting the qualification factors for the alternative facilities bonding and levy program were discussed.

S. F. 425, a bill offered by Sen. Charles Wiger (DFL-North St. Paul), makes districts eligible for the alternative facilities bonding and levy program if all district buildings combined have both an average age of 30 years or more and 1.5 million square feet of space. The bill carries an assumed levy impact of \$3.2 million per year and qualifies Mounds View and White Bear Lake school districts for the program.

Sen. Jane Krentz (DFL-May Township), author of S. F. 855, said her bill reduces the square footage requirement from 1.85 million to 1.2 million. Additionally, program qualifications under the bill requires enrollment of more than 66 students per grade and an average age of 15 years or more on combined district buildings, she said. "If enacted," said Krentz, "the bill makes an additional 13 school districts eligible for the program." The bill carries an assumed levy impact of \$20.3 million in FY 03, \$20.5 million in FY 04 and \$20.6 million in FY 05, according to staff. Further, she said, "3 of the 13 school districts made eligible under this bill receive equalization on their facilities bonds." The cost of the facility bond equalization is \$504,000 in FY 03, \$350,000 in FY 04 and \$224,000 in FY 05.

Sen. Satveer Chaudhary (DFL-Fridley), author of S. F. 657, said what matters in his bill is building age, not square footage. He said the bill adds a second square footage and age requirement that makes districts eligible for the program if all district buildings combined have an average age of 30 years or 500,000 square feet of space. "If enacted," he said, "the bill makes an additional 36 school districts eligible for the program." The assumed levy impact is \$38.9 million in FY 03, \$39.2 million in FY 04 and \$39.5 million FY 05. Additionally, said Chaudhary, 19 of 36 school districts made eligible under the bill receive equalization on facilities bonds in the amounts of \$2.3 million in FY 03, \$2.3 million in FY 04 and \$2.1 million in FY 05. He also said, "We're asking for permission to help ourselves, through the levy."

S. F. 462, authored by Sen. Arlene Lesewski (R-Marshall), S. F. 733, a bill put forward by Sen. James Metzen (DFL-South St. Paul) and S. F. 825, a bill authored by Krentz, make various adjustments to the debt service equalization program. Lesewski's bill exempts all agricultural

property, except for one acre of farm homestead property, for the purpose of computing debt service equalization aid and spreading the debt service levy. The bill also increases the current equalizing factor from \$4,000 to \$8,000, she said.

Metzen's bill reduces the threshold rate that school districts must raise locally before equalization on debt service revenue occurs. In the bill, the threshold rate decreases from the current 12 percent to 10 percent and the equalizing factor increases from \$4,000 to \$6,000. The combination of the 2 changes carries an entitlement cost of \$28.8 million in FY 03, \$27.8 million in FY 04 and \$23.4 million in FY 05.

Krentz's bill increases the state's commitment to debt service equalization by lowering the initial local levy and fixing the equalizing factor to the average statewide tax base. The bill carries an appropriation of \$26.934 million in FY 02. Appropriation amounts after FY 02 have yet to be determined.

S.F. 680, a bill extending the disabled access levy, was proposed by Lesewski. She said the bill removes the 8 year limitation, scheduled to sunset in FY 04, on the handicapped access and fire safety levy which is used to meet disabled access needs in school buildings. The bill extends the limitation for accessing funding, through FY 05, for those districts who have not levied the maximum amount of \$300,000, she said. The anticipated levy cost for FY 03 through FY 05 is \$2 million.

All bills were laid over for further consideration and no formal action was taken.

## Higher Education Budget Division

### MHESO budget request presented

The Higher Education Budget Division heard a presentation of the Minnesota Higher Education Services Office's budget request on Mon., Feb. 26. Sen. Deanna Wiener (DFL-Eagan) presided.

MHESO Director Robert Poch said, "We made a very conscious effort not to bring forth new program proposals, but to further and strengthen the ones we have in place."

He said both MHESO and the governor recommend increasing state

grants, which fund Minnesota student financial aid packages, 2.5 percent to cover inflation. He also said the office and the governor want to extend the time students are eligible for state grants from four years of full-time attendance, or the equivalent number of credits, to whatever length of time is necessary to complete a bachelor's degree.

MHESO recommends calculating state grants based on the actual tuition and fees charged to each student by institutions rather than continue the current policy of figuring out the need for financial aid based on a uniform tuition and fee rate for all students at a single institution, he said. For example, a student currently taking technology courses has to pay more than other students because of lab fees charged for science courses, he said. Under the revised formula, however, the student's financial aid package will take the additional fees into consideration, he said. The governor's budget does not include the nearly \$10 million necessary for the adjustment, Poch said.

Poch also said the governor's budget does not provide the \$3 million increase per year to fund MHESO's recommended expansion of work study programs. He said MHESO suggests raising the maximum amount of money a student may earn through work study to cover the total amount of the cost of education not covered by financial aid.

"One of the issues of every single student meeting I've attended is child care," Poch said. "We are recommending a \$2,500 maximum award to cover the rising cost of child care." He said MHESO currently authorizes a \$2,200 maximum for child care grants for students on financial aid. The governor recommends placing child care grants for students under the jurisdiction of the Department of Children, Families and Learning, Poch said.

Cheryl Maplethorpe, director of student financial aid services for the Department of Children, Families and Learning, said that under the governor's plan, students who apply for child care grants who do not participate in the Minnesota Family Investment Program (MFIP) are eligible only if they work at least 20 hours per week.

"Students not working 20 hours a week are the only ones negatively impacted by the governor's plan," she said. Poch said that according to a MHESO survey, 53 percent of students currently

receiving child care grants do not work 20 hours per week.

Maplethorpe said MFIP participants who do work 20 hours per week are eligible for the assistance for the length of time necessary to complete an education program and are allowed to take any number of credits.

Maplethorpe also said that under the basic sliding fee program for child care grants, post-secondary students are a lower priority than full-time workers and people pursuing high school diplomas or GED's. She said that if an eligible student applies but there are insufficient funds in the program, the student is placed on a wait list. She said the low priority of students is the reason that MHESO had been given authority over child care for people on financial aid in 1989.

Poch said, "I would encourage us to look at history, at the time before there was a post-secondary child care allowance. You would see that there was no recognition of the need for post-secondary child care."

### MHESO budget request continued

The Higher Education Budget Division met on Weds., Feb. 28, to hear the second half of the budget request presentation of the Minnesota Higher Education Office (MHESO). Sen. Deanna Wiener (DFL-Eagan) chaired the committee.

The budget overview focused on three aspects of MHESO: building awareness of post-secondary education opportunities, the improvement of service delivery through technology and the expansion of higher education service learning programs.

Phil Lewenstein, director of communications, legislation and outreach services, said, "The main objective of pre-college awareness programs is assisting low income families and families with parents who have little or no experience with higher education." He said that in 1999 the Department of Children, Families and Learning found that students from households with annual incomes of more than \$70,000 were twice as likely as low income students to attend a four-year college. He said MHESO provides information and counseling to students and families to encourage and prepare them to complete high school and pursue post-secondary education. MHESO is recommending raising the funding for its

# Committee update

GetReady programs \$100,000 each year of the biennium to extend the services to two additional sites in Greater Minnesota, he said. The governor has not included the increase in his budget. The governor also is not recommending the \$200,000 appropriation MHESO has requested to pay for the translation of information on the importance of higher education into Spanish, Hmong, Somalian and other languages, he said.

Terry Kolmeychuk said MHESO plans to expand the Learning Network of Minnesota. Robert Poch, director of MHESO, said, "The network is the electronic highway through which many education opportunities are given to students in Greater Minnesota."

Kolmeychuk said the program currently provides 1,300 courses through interactive television and 200 to 300 classes online. MHESO requests \$1.5 million in additional money for the network each year of the biennium, but the governor is not recommending an increase, Kolmeychuk said.

Mark Langseth, executive director of the Minnesota Campus Compact, said the post-secondary service learning initiative, which encourages colleges and universities to involve students in community service projects, is a model program for the nation. He said since the program was created in 1989, the participation rates have tripled and students have performed more than one million hours of community service. According to a recent survey, 80 percent of respondents said that community service should be integrated into education, he said. However, he said, the governor is not recommending the additional \$400,000 for the biennium MHESO has requested to pay for service learning expansion.

## Environment and Natural Resources

### Tougher poaching laws advanced

The Environment and Natural Resources Subcommittee on Fish and Wildlife, chaired by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), considered a bill Thurs., Feb. 22, that establishes stricter penalties for overlimit violations of fish and game laws. The bill, S.F. 222, is authored by Sen. Jane Krentz (DFL-May Township). Members raised a number of concerns but finally advanced the bill to the full committee.

Deer River Conservation Officer Tom Chapin showed members slides of some of the more egregious overlimit violations he has seen. On one occasion, he said, he caught an individual with 182 walleye. Under current law, Chapin said, even serious offenders are allowed to continue fishing the next day. He said, "The penalties have never been enough to provide an adequate deterrent for illegal behavior." Krentz added, "We're allowing the resources to be depleted by people who pay no attention to sportsmanship or fairness."

Krentz outlined the provisions of the bill. The bill defines three degrees of gross overlimit violations based on the total restitution value of the overlimit wild animals taken. A first degree violation is for a value of over \$5,000, a second degree for over \$1,500 and a third degree for over \$500, Krentz said. For a first or second degree violation, she said, enforcement officers are allowed to take a person into custody and seize all motor vehicles involved in the violation. The offender's license is revoked for a period of 3 to 10 years, depending on the degree of the violation, she said. The bill also lowers restitution values for the canvasback duck and the trumpeter swan and raises the restitution value for yellow perch.

Members raised concerns about language giving officers arrest and seizure authority. Senators Ellen Anderson (DFL-St. Paul) and Charles Berg (R-Chokio) questioned whether language saying a person taken into custody "may be detained until the person's first court appearance" is appropriate.

Bruce Kleven of the Minnesota Aquaculture Association mentioned similar concerns, saying commercial fishers are uncomfortable with language that says an officer "may arrest and take into custody" a person if the officer "has reason to believe" a violation was committed. He said perch often get caught in the nets that are used to collect minnows, but the perch are returned to the lake. Kleven suggested the bill include a provision that keeps commercial fishers from being charged for very small fish.

Members also proposed several hypothetical situations where a well-intentioned person could be found in violation of the law. Major Chuck Schwartz of DNR Enforcement pointed out that the burden of proof for an offense is on the officers, and that officers have great

discretion and are unlikely to charge for minor violations. Krentz said the bill has to pass through many committees and some concerns would be more appropriately addressed in the Crime or Judiciary Committees.

Sen. David Knutson (R-Burnsville) asked if the restitution values for the various wild animals are accessible to the general public. Krentz agreed that the information needs to be more widely published if penalty values are going to be based on restitution fees.

Sen. Jim Vickerman (DFL-Tracy) said he finds it unwise to lower the restitution values for canvasback ducks and trumpeter swans. Schwartz said the reduction is a result of the fact that reintroduction efforts for the species have been successful. Kinkel proposed an amendment changing the quality size limit for perch to 10 inches, citing high fishing pressure that is threatening the success of resort owners in his district. The amendment was adopted.

Kinkel also offered an amendment changing the effective date for the bill from August 1, 2001 to June 1, 2001. The amendment was adopted. Knutson asked how people will know about the law since 2001 fishing regulations have already been printed, and Schwartz said press releases will be used. The bill was advanced to the full committee with a recommendation to pass.

### Activity quotas removed

The Environment and Natural Resources Committee met briefly Tues., Feb. 27 to approve S.F. 283, a bill relating to conservation officers. The bill, authored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), clarifies the prohibition on establishing quotas for enforcement activity. Committee Chair Jane Krentz (DFL-May Township) presided.

Kinkel introduced Tony Cornish, president of the Minnesota Conservation Officers Association. Cornish said that during performance evaluations, a conservation officer's activity was being compared to a statewide average for warnings and citations. The bill removes the statutory basis for the practice by deleting language that allows the DNR commissioner to compare overall conservation officer activity. Cornish said the commissioner supports the bill.

Sen. Pat Pariseau (R-Farmington) asked how the bill affects citizens. Cornish said it will be warmly received, since it

removes any pressure on conservation officers to be excessively picky in enforcement. "The bill will help out the discretion and the overall atmosphere of how we do our job," Cornish said. The bill was approved and recommended for placement on the Consent Calendar.

### **Solid waste history reviewed**

The Environment and Natural Resources Working Group on Solid Waste heard an overview of Minnesota solid waste history Tues., Feb. 27. The joint group is co-chaired by Sen. David Tomassoni (DFL-Chisholm) and Rep. Tom Hackbarth (R-Cedar).

Mike Bull of House Research presented a summary of legislative milestones relating to solid waste. He said open burning and open dumping were the most common forms of waste management in the 1960s. In 1967, he said, the Metropolitan Council and the Minnesota Pollution Control Agency (MPCA) were created, with solid waste management being one of their major responsibilities. Following the 1969 State Solid Waste Act, open burning was prohibited, Bull said. By 1973, he said, about 1,500 open dumps were replaced by 140 permitted sanitary landfills.

Several metropolitan waste plans were developed in the 1970s, Bull said. Nevertheless, he said, by 1978 the Legislature was dissatisfied with efforts to expand recycling and site new waste facilities. As a result, the Minnesota Waste Management Act was passed in 1981, Bull said. The act established a state waste management hierarchy that emphasizes "resource recovery," which prioritizes waste combustion, composting and recycling over land disposal, he said.

In 1989, the Select Committee on Recycling and the Environment (SCORE) was created to set county recycling goals and establish state funding for waste reduction programs from a sales tax applied to garbage collection services, Bull said. Throughout the 80s and 90s, the Waste Management Act continued to be amended to ban specific toxic substances from landfills, Bull said.

The trend toward narrower regulation of solid waste management was slowed in the early 1990s, Bull said, when court decisions declared that waste is a good that cannot be restricted under interstate commerce laws. Also in the 90s, he said, local governments began subsidizing

tipping fees at public resource recovery facilities to make them more competitive with out-of-state landfills. Recycling rates reached a plateau, Bull said.

In 1994, Bull said, the Office of Environmental Assistance (OEA) was created. The OEA recently issued a 2000 Solid Waste Policy Report that emphasizes a transition from waste management to resource efficiency, he said. Besides the joint Senate/House working group, he said, an OEA State Solid Waste Task Force is currently examining the waste problem to find solutions that implement a truly integrated waste management system.

Rep. Tom Workman (R-Chanhassan) asked for a history of the various waste taxes and fees. He said, "We need to see the price we are paying for the history we have accumulated." Rep. Dennis Ozment (R-Rosemount) advocated a clean slate approach to the waste problem over an approach of small fixes. Referring to the disposal of waste in neighboring states, he said, "If they start shutting us down, suddenly we'll have a humongous problem facing us – bigger than what has been anticipated." Sen. Bob Lessard (IND-Int'l. Falls) said the committee needs to remain focused in the midst of a plethora of solid waste proposals.

## **Environment and Agriculture Budget Division**

### **Science Museum toured**

The Environment and Agriculture Budget Division toured the Science Museum of Minnesota Thurs., Feb. 22. The tour was related to the museum's request for a \$250,000 increase in its base appropriation.

### **MDA budget overview concluded**

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), finished hearing the Minnesota Department of Agriculture (MDA) budget Mon., Feb. 26. Members heard from the Agriculture Marketing and Development, Finance, and Information Services Divisions.

Paul Burns, assistant director of Agricultural Development, spoke on the governor's feedlot budget initiative. Burns said an MDA report found that 7,100 feedlots will require some upgrades to comply with feedlot rules. As part of a multi-agency effort that includes the

Pollution Control Agency and the Board of Water and Soil Resources, the MDA is providing \$175,000 each year to help feedlot operators make informed decisions regarding the revised rules, and \$350,000 each year in low-interest loans to help producers make environmental improvements in their operations, Burns said.

The new initiatives are targeted at feedlots with between 300 and 500 animal units, Burns said. Currently, he said, state and federal financial assistance provides \$4.9 million in cost-share grants and \$3.2 million in low-interest loans for feedlot upgrades of any size.

Jerry Heil, director of Agricultural Development, highlighted some of the activities of the division. Heil said the division helps the agricultural sector develop its economic potential while protecting the environment. The division's activities include a pilot project to test land management methods in Minnesota River basin watersheds, a plant pest survey that provides daily information on insect infestations, and a sustainable agriculture unit that provides grants for integrated pest management practices, he said.

A budget change item for the division, Heil said, is a request for \$180,000 in FY 2002 and \$240,000 in FY 2003 to pay for the operating costs of the Quarantine Greenhouse facility on the University of Minnesota campus. Dharma Sreenivasam, supervisor of the U of M bio-control program, said that when completed in October 2001, the greenhouse will greatly reduce the time needed to clear bio-control agents for implementation in Minnesota. MDA and U of M researchers currently have to go to other states to conduct their research, he said.

Curtis Pietz, director of Agricultural Finance, said the division administers the Rural Finance Authority (RFA) loan programs and monitors compliance with corporate and alien farm laws. The RFA loans are financed by general obligation bonds and provide financial assistance for beginning farmers, loan restructuring, livestock expansion, ethanol development, and other areas, Pietz said.

Finally, Chief Information Officer Larry Palmer discussed a request for funding to complete the Project Unity program. Project Unity was started five years ago to redesign MDA's electronic information management systems, Palmer said. The new licensing information

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system was successfully completed in October 2000, he said. Pietz said the agency would now like \$849,000 for FY 2002 and \$401,000 for FY 2003 to complete the compliance management system, which will consolidate data on inspection and licensing. "The system will allow the seamless transfer of information throughout the department," Pietz said.

## DNR budget overview begun

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), started hearing a budget overview from the Department of Natural Resources (DNR) Tues., Feb. 27. Specifically, members heard from the divisions of Waters, Lands and Minerals, and Forestry.

Deputy Commissioner Steve Morse gave general information on the DNR. He said the department works to create a sustainable quality of life in Minnesota, with 200 field offices in 6 regions across

the state. Recent strains on environmental resources, Morse said, include a fast-growing population and increased use of jet-skis and off-road vehicles.

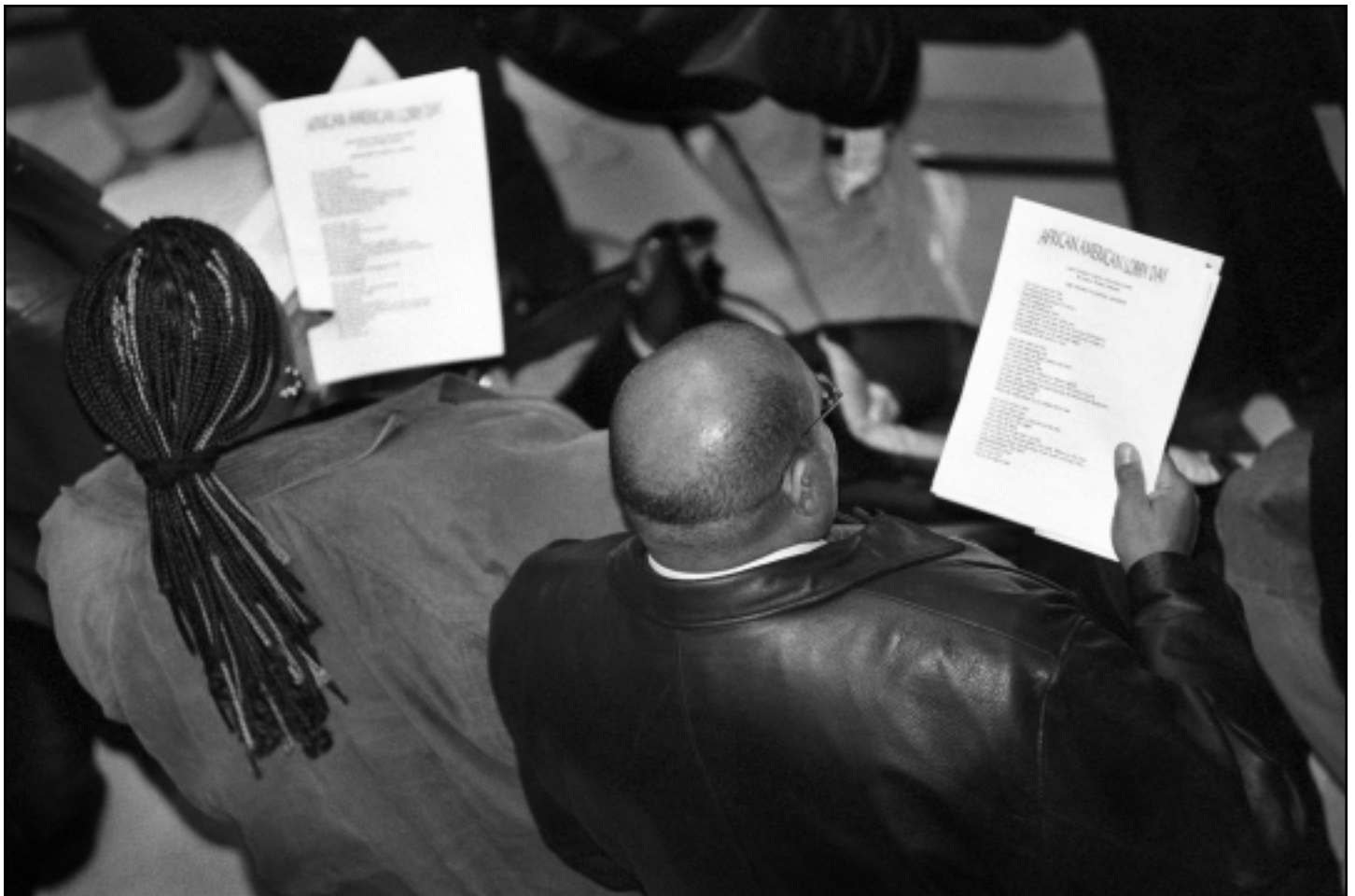
In the current budget climate, Morse said, the department is trying to reallocate funds in order to do better with the resources it already has. Approximately \$2 million is being moved between divisions in an effort to prioritize, Morse said. The agency's entire budget is about \$310 million each year. The number of full-time equivalent employees will be cut from 2,994 to 2,939 over the next biennium, he said.

The department is losing \$650,000 year as a result of the drop in the snowmobile unrefunded gas tax rate from 0.1 percent to 0.075 percent, Morse said. The governor is also recommending that \$10.5 million each year from the lottery-in-lieu of sales tax be used to improve state parks and trails. Sen. Jane Krentz (DFL-May Township), who is sponsoring a bill to give a higher percentage of lottery-in-lieu

proceeds to the DNR, said she hopes to increase the allocation to \$12.7 million a year.

Kent Lokkesmoe, director of the Waters Division, said recent successes in the division include a simplification of the permit process by implementing general permits, an expanded web site, and the relocation of 875 homes from flood plain areas. The division will focus on providing environmental education and technical assistance on water issues in the coming biennium, Lokkesmoe said. He said the division is losing \$76,000 in FY 2002 and \$38,000 in FY 2003 in reallocations to other divisions. He also said the governor's proposal includes a Legislative Commission on Minnesota Resource (LCMR) recommendation of \$320,000 to investigate the impact of quarries and gravel pits on groundwater quality.

Director Bill Brice spoke for the Lands and Minerals Division. He said the division manages state land records and provides technical support to the mining



*African American Lobby Day participants joined together in song in the Capitol rotunda on Weds., Feb. 28.*

Photo by Shelley Hawes



industry for environmentally sound mineral extraction. The current land records system is outdated, Brice said, and the division is reallocating funds internally to begin development of a geographic information system interface.

The division also plans to provide technical assistance to the LTV Hoyt Lakes plant to assist in watershed restoration, Brice said. He said other mineral-related activities include the mapping of construction aggregate resources for county government and exploration for minerals such as platinum and palladium. The mapping program, Brice said, currently does not have the resources to map more than one county a year.

Bob Tomlinson, acting director of the Forestry Division, spoke on forest management activities. He said the division manages 4.3 million acres of land to ensure sustainable forests for timber production, wildlife habitat and nature education. Projects include a \$545,000 LCMR proposal to develop stewardship plans for private prairie and forested lands and \$150,000 to continue an effort to double the acreage of white pine over 7 years, Tomlinson said.

Reallocation of funds out of the division, Tomlinson said, necessitates a 10.5 full time equivalent reduction in division field staffing. In addition, he said, ongoing budget strains may make a total reduction of 30 full time equivalents necessary, in addition to 23 position vacancies already in the division. Tomlinson said the division will deal with the reductions by focusing on core programs such as fire protection, timber sales, forest management and technical assistance. Forest recreation responsibilities will be transferred to other DNR units, he said. Sen. Dennis Frederickson (R-New Ulm) asked if the division will be able to maintain core programs under the budget pressures, and Tomlinson said there may be a short-term impact because of issues with lay-offs and unions.

### Forestry budget discussed

The Environment and Agriculture Budget Division continued its overview of the DNR budget Weds., Feb. 28. Deputy Commissioner Steve Morse discussed three aspects of the Forestry Division: firefighting, youth programs, and implementation of the Sustainable Forest Resources Act (SFRA). Committee Chair Leonard Price (DFL-Woodbury) presided.

Morse said the activities of the firefighting section include fire prevention education, regulation of open burning, pre-suppression activities such as training firefighters and obtaining equipment, and direct fire suppression activities. The section also conducts prescribed burns and is available for emergency searches, Morse said. He added that an aging workforce makes it more difficult to hire seasonal firefighters, since firefighters tend to be young people.

The section generates approximately \$1-2 million in revenue annually through fire fighting assistance in other states, Morse said, but this funding source decreases if there are fewer wildfires outside Minnesota. The section hopes to save money by buying rather than leasing 2 firefighting planes, at a cost of \$3 million each, Morse said. The planes will help maintain a high level of readiness in the case of a fire in the Boundary Waters blowdown area, he said.

Sen. Twyla Ring (DFL-North Branch) asked about the effects of fire suppression chemicals on fish. Firefighting Section Manager Olin Phillips said the chemicals are slightly toxic, but are not allowed into watercourses. He said no claims have been brought against the department. Sen. Steve Dille (R-Dassel) asked whether a fire in the Boundary Waters area would be allowed to burn up some of the blowdown fuel. Phillips said a fire would be very difficult to contain because the fuel is so continuous. He said the section is trying to set up fire barriers.

Morse then discussed youth programs, which he said are composed of the Minnesota Conservation Corps (MCC) and the Youth in Natural Resources (YINR) program. MCC provides a residential summer program for youth ages 15-18 and a non-residential year-round program for young adults ages 18-26, he said. YINR is a career exploration activity for protected-class youth ages 15-18, he said. Because of budget strains, Morse said, a \$300,000 cut will be made to the MCC young adult program. "Although they are great programs with lots of benefits, they just weren't in the core mission," Morse said.

Finally, Morse spoke about SFRA implementation, the goal of which is to promote the sustainable management of Minnesota's forest resources. He said the Minnesota Forest Resources Council (MFRC), which represents logging

interests and natural resources workers, serves as a forum for developing recommendations on forest resource issues.

Unfortunately, Morse said, the legislation that established the council has a sunset date of June 6, 2001, so no appropriation for the council was included in the base budget. The department will reallocate \$375,000 each year for the program, Morse said, and hopes to find \$125,000 from non-state sources to continue the MFRC. The MFRC previously had a budget of close to \$700,000 a year, Morse said. Price asked whether the reduced budget implies that the DNR is not committed to sustainable forest management. Morse said that in the current budget situation, the department feels that \$375,000 is a notable commitment.

## Finance

### LTV unemployment relief okayed

The full Finance Committee met Weds., Feb. 28, to consider bills requesting funding for economic support in the Arrowhead and for a pending bridge construction in the Metro Area.

S.F. 101 was presented by the chair of the committee, Sen. Douglas Johnson (DFL-Tower). The bill extends unemployment benefits for up to 104 weeks for people laid off as a result of LTV Mining Company closures in St. Louis County. The bill names as eligible workers those laid off both from LTV and from vendor companies that derived at least 25 percent of their sales from LTV. Further provisions in the bill allow people with pending worker's compensation claims to collect the unemployment benefits and also specify that eligible employees can resume collection of benefits if they move back to the Iron Range after having left to seek work elsewhere.

Johnson said he recognizes that there are controversial aspects of the bill and that the bill is controversial on the Range too because of the people who have been laid off from other plants that are not included in the bill. The uniqueness of the situation in White Lakes, Johnson said, is that LTV has declared bankruptcy and there are simply not enough nearby alternatives for finding work. "Imagine if half of all the workers in the entire Metro Area showed up tomorrow to find that the lights were off and they were out of business," he said.

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Mayor Marlene Pospeck of Hoyt Lakes testified in support of the bill, saying that the area's available and skilled work force will be the key factor in attracting companies to replace LTV. She said the extension of benefits keeps the work force in the region, giving the city time to attract new businesses and workers time to learn new skills. Jerry Fallos of United Steel Workers Local 4108 echoed the need for extra time, saying that the LTV employees want to work and are already enrolling in fast track classes to learn new skills.

Sen. Deanna Wiener (DFL-Eagan) asked if there is any likelihood of the plant reopening or of other plants hiring LTV workers. Johnson said that a lack of investment by LTV makes it highly unlikely that the plant will ever be used again for taconite pellet production. He said other plants, though more modernized, have nonetheless been reducing their own work forces recently. In response to a question from Sen. Twyla Ring (DFL-North Branch), Johnson and Pospeck addressed some strides the region has made in diversifying its economic base. Sen. Dennis Frederickson (R-New Ulm) and Sen. Martha Robertson (R-Minnetonka) asked for clarification of the fiscal note presented with the bill. Dave Weidenbach of the Department of Economic Security (DES) confirmed that the benefits will be paid from unemployment insurance reserves and administrative costs will require no new general fund appropriation. Weidenbach said the average LTV worker made \$47,000 annually and will draw about \$19,000, without benefits, on unemployment.

Sen. Julie Sabo (DFL-Mpls) said it's not just individuals at risk but an entire county. Sen. Dan Stevens (R-Mora) offered an amendment to include people losing work due to the Fingerhut plant closure in Mora. Johnson said he could also amend the bill to add workers from the Fingerhut plants in Duluth and St. Cloud, as well as workers from all over the state. He emphasized again the uniqueness of the situation, given that the area is more economically isolated. He said there are plenty of plant closings in his own district that are not included in the bill. Stevens withdrew his amendment. The bill was approved and sent to the floor.

The other bill before the committee was S.F. 183, authored by Sen. Leonard Price (DFL-Woodbury). The bill designates \$7.3 million from the Department of

Transportation's bottleneck fund to pay the city of Newport's portion of the cost to replace the Wakota Bridge.

Price said the project has been in planning for 11 years and, with costs estimates escalating and funding options dwindling, the bridge construction is once again in danger of being put on hold. The Newport City Council votes May 9, Price said, adding that "if the vote were today, they wouldn't approve it." Price said the city of Newport, with a population of only 3,172, was originally expected to come up with \$9.3 million of the funding for the project. He said Newport has the highest poverty rate in Washington County, the fourth highest property taxes in Metro Area, and an annual city budget totaling only \$1.9 million. He emphasized the regional impact of the project, saying that traffic on Rte. 61 and I-494 are affected.

Sen. Robertson noted that the bill may result in some other bottleneck projects not being funded and asked if the residents of Newport had been asked to pay even a portion of the cost of the bridge. Newport City Engineer John Stuart said the city raised \$1.5 million from an assessment on property on streets that would be improved as part of the project. He said the city had also helped lower the cost of the project by negotiating to change the route, thereby avoiding the purchase of an expensive property. Stevens said the key to the aptness of the funding is the region-wide impact. Sen. Dean Johnson (DFL-Willmar) emphasized the effort made by the city to lower the request and the extensive consideration of alternatives made by the Transportation Budget Division. The bill was recommended to pass and sent to the floor.

## Health and Family Security

### Five health bills heard

Sen. Dallas Sams (DFL-Staples) authored a bill, S.F. 689, to establish Medical Assistance eligibility for individuals in need of treatment for breast or cervical cancer who do not have other health care coverage. Sams, who chairs the committee, addressed the panel at the Mon., Feb. 26, meeting of the Health and Family Security Committee and said the issue was brought to his attention by the American Cancer Society. The bill provides an appropriation from the general fund to pay for cancer screening under guidelines established by the Centers for

Disease Control and Prevention's national breast and cervical cancer early detection programs. The appropriation covers diagnostic services and treatment for those under age 65 who are living at 250 percent of poverty level. The bill was approved and re-referred to the Finance Committee.

Sams also presented S.F. 848. The bill addresses situations in which a family or individual discontinues enrollment in MinnesotaCare when insurance coverage becomes available through an employer, but whose coverage is then terminated within six months. Under the bill, individuals and families are excluded from the 18-month employer-subsidized coverage barrier. The bill was approved and advanced to the Finance Committee.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 789, a bill that modifies the nursing facility rates for ventilator-dependent persons. An amendment was adopted to specify that for persons initially admitted to nursing facilities before July 1, 2001, the negotiated payment rate must not exceed 300 percent of the highest multiple bedroom payment rate for a Minnesota nursing facility, as established by the commissioner. In defense of the 300 percent payment multiple, Doug Beardsley, Care Providers of Minnesota spokesman, said that it costs at least twice—sometimes as much as five times as much—to care for this type of patient and that facilities are not completely reimbursed for the costs. The bill changes the requirement that ventilator-dependent persons must be hospitalized for a period of six months, allowing instead, that a person had been hospitalized and is no longer using inpatient acute care hospital services. The bill was approved and re-referred to the Finance Committee.

A bill requiring the Medical Assistance program to adjust the payment rate for ambulance services was authored by Sen. John Hottinger (DFL-Mankato). The measure, S.F. 597, requires that for services rendered on or before July 1, 2001, Medical Assistance payments for ambulance services must be paid at the Medicare reimbursement rate or at the Medical Assistance payment rate which was in effect July 1, 2000, whichever is greater. Hottinger said that changes in Medicare reimbursement rules could cost Minnesota's ambulance services more than \$25 million a year. According to an Associated Press/Star Tribune article referenced by Hottinger, under the new fee

schedule, an ambulance service that formerly would have been reimbursed \$685 for a run would be paid \$265 for the same trip. The new federal reimbursement schedule becomes active April 1, 2001. The bill was recommended to pass and re-referred to the Finance Committee.

Hottinger also authored S.F. 892, a bill that changes provisions and appropriates money for a supportive housing and managed care pilot project. The bill deletes language that limits the pilot project to two counties and amends county eligibility criteria. The provision requires that counties address the prevalence of mental illness, substance abuse problems or HIV in the homeless population served in the pilot design. Preference is given counties that cooperate with other counties in participating in the pilot for the purposes of evaluation. The bill also gives preference to counties that provide additional funding. Another provision amends eligibility requirements to include persons who are homeless or at risk of homelessness. The bill was approved and re-referred to the Finance Committee.

### **Patient's rights discussed**

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Feb. 28, to discuss four health bills.

A bill to establish patient rights and protections was presented by Sen. Don Samuelson (DFL-Brainerd). The measure, S.F. 796, prohibits health carriers from denying payment for services following preauthorization of service or treatment. The measure prohibits retaliation against providers who in good faith disclose information to public regulatory agencies, private accreditation bodies or management personnel of a health plan company, related to care, services or conditions affecting an enrollee. A provision specifies that health care providers cannot retaliate against an enrollee or patient for making a complaint against a health plan company or provider for obtaining a second opinion, or for bringing a claim or making a complaint. Under the bill, coverage must include necessary care for mental health services ordered by a court. Another provision requires coverage to continue at the request of the enrollee until the end of treatment or 180 days, in instances of termination by a provider if that provider is providing covered service for a current course of treatment.

The measure specifies that an enrollee's participation in a clinical trial does not negate a health plan company's obligation to provide medically necessary health care covered under the enrollee's health plan and states that a health carrier must exercise ordinary care when making health care treatment decisions. The carrier is made liable for damages for harm caused to an enrollee by its failure to exercise ordinary care, under the measure.

Assistant Attorney General Steve Warch said that insurance lobbyists in other states warned legislators of escalating costs and litigations if similar legislation passed, but said that the projections did not hold up. He said that related cost increases to consumers averaged between 3 and 13 cents per policy. A spokesperson for the National Association of Independent Businesses said that S.F. 796 raises concerns for businesses providing employee coverage. He said they anticipate up to an 18 percent increase in health coverage costs should the measure be instated.

Samuelson said, "This clearly is not an industry bill." Members debated the merits of portions of the bill in comparison to S.F. 491, authored by Sen. Linda Berglin (DFL-Mpls.) and discussed the eventual adoption of portions from both bills. The measure was approved and re-referred to the Commerce Committee.

Berglin presented S.F. 491, which also makes provisions for patient protections. The measure requires that when civil penalties are imposed on a health plan company, 50 percent of the amount be divided among any policy holders or certificate holders affected by the violation. A provision requires that group purchasers submit to the commissioner of health any expenditure data that distinguishes between expenses incurred for patient care and administrative costs.

The bill makes modifications to the continuity of care requirements and standing referral requirements. A provision prohibits a health plan company from excluding coverage for an otherwise covered service or from dis-enrolling an enrollee on the basis that the enrollee is a participant in a clinical trial. Susan Stout, Minnesota Nurses Association and Christeen Stone from the American Association of Retired Persons (AARP) recommended the bill, among others. S.F. 491 was approved by the committee and re-referred to the Commerce Committee.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 318, a bill requiring the commissioner of health to study the regulatory system of birth centers. Under the bill, the commissioner is instructed to make recommendations to the Legislature concerning whether establishing birth centers for low risk obstetrical care is feasible and desirable in terms of safe and appropriate health care. The commissioner is also required to determine the type of regulatory system needed.

Dr. Lourdes Borges, family practitioner, told members that immigrant and minority families are especially interested in alternatives to hospital birthing. She said that world views about the birthing process in these communities are very different from what is normally offered in Minnesota. Birth centers offer a less expensive, more home-like setting with certified nurse midwives and attendants in assistance, natural birthing methods without medications, the freedom to move about during labor, family presence and familiar foods, according to Borges. The panel approved the bill and re-referred it to the Finance Committee.

Berglin summarized a mental health measure, S.F. 754. The bill provides mental health coverage requirements for health plans, adjusts payment rates for mental health providers, establishes requirements for discharge plans and transition services for offenders with mental illness and establishes duties for reducing and preventing suicides. The measure was laid over for further discussion.

## **Jobs, Housing and Community Development**

### **Homeless students bill heard**

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), assembled Weds., Feb. 28, and examined legislation dealing with the school stability initiative, the Computers for Schools program and the authority of the Iron Range Resources and Rehabilitation Board (IRRRB) commissioner.

Sen. Linda Higgins (DFL-Mpls), sponsor of S.F. 760, said the bill secures housing for families with school-aged children. The project targets families with children under age 12 who have been absent more than 15 percent of the school

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year and who have either been evicted from their housing, live in overcrowded conditions or pay more than 50 percent of their income for rent. The project provides rental assistance and connects families to needed social services. Higgins said the program's objective was to provide stability for children by helping families stay in the same school district during times of transition and crisis.

Pacyinz Lyfoung, affordable housing specialist for the Minnesota Housing Finance Agency, said that the school stability project is unlike other parts of the homelessness prevention project because of the emphasis it places on the education of homeless children.

Cynthia Fashaw, school success program assistant for Minneapolis Public Schools, said the school stability project has helped 71 children since it began two years ago. She said homeless children are often two years academically behind other children their age. She also said the most devastating thing about childhood homelessness is the emotional impact it has on children. "I've seen children crying in the middle of the day because they don't want to go home," she said. "The kids don't know what, if anything, will be there when they get off the bus."

The committee recommended S.F. 760 to pass and re-referred to the Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 105, which appropriates money to the Department of Economic Security to be given to the Minnesota high technology foundation for the Minnesota computers for school program. The program employs inmates in the Stillwater and Lino Lakes prisons to refurbish donated computers, which are then given to schools, he said.

Since the program received a \$6 million appropriation in 1997, 24,572 computers have been given to 499 schools in 217 school districts, he said. Currently, 67 inmates are earning \$.25 to \$1 per hour while reconditioning computers for schools, he said.

Sen. David Knutson (R-Burnsville) asked why computers for schools is not funded through the education or corrections budgets. "Last year the program fell through the cracks because no committee took up the responsibility to deal with it," said Kelly. "This is jobs. This is training prisoners. It's dealing with business and creating public private relationships. The

money is taxpayers' money, whether it's taken out of this budget or education or corrections."

Sen. David Johnson (DFL-Bloomington) recommended amending the bill to eliminate the designation of the Department of Economic Security as the funding source for the program. The amendment was adopted. The bill was advanced to the Finance Committee with a recommendation to pass.

Sen. David Tomassoni (DFL-Chisholm) brought forth S.F. 960, legislation that broadens the authority of the commissioner of the IRRRB. "The bill is not an attempt to allow the commissioner to run the mine," he said. Instead, the bill permits the commissioner to assume responsibility over the acquisition of mine lands by the government, he said.

IRRRB Commissioner John Swift said, "A lot of times, when mines close, situations are left hanging in the balance." For example, he said, a dam that had been run by a mine was under ambiguous authority after the mine closed. He said the dam would flood camp grounds and housing sites if it was not controlled. The bill gives authority to the IRRRB commissioner to purchase, lease or condemn mine property in the event of a closing. "Somewhere along the line someone needs to take control," Swift said. This bill, he said, clarifies who has authority.

The committee approved S.F. 960 and recommended it be placed on the Consent Calendar.

Finally, members of the Red Lake Band of Chippewa Indians gave an overview of the housing and economic development issues on their reservation. Chairman of the Red Lake Band Bobby Whitefeather said that out of the 9,300 people on the reservation, 1,200 were unemployed. He said that 19 percent of the Native American population in the Metro Area is unemployed, as opposed to 2 to 3 percent of all Metro Area residents. He said many Red Lake Band members are returning to the reservation, overwhelming the school system and creating a housing shortage.

Jane Barrett, Red Lake Reservation housing authority director, said 548 families are currently on a wait list for housing and 31 percent of families are living in overcrowded homes. She said the average income for a person on the reservation was less than \$12,000, which is about a quarter of the national average.

## Judiciary

### Liability protection scrutinized

The Judiciary Committee was convened Thurs., Feb. 22, by Chair John Marty (DFL-Roseville). Members considered a bill addressing the civil liability of people who help the mentally ill take medication. Also discussed were bills concerning unauthorized practice of veterinary medicine, electronic filing of real estate documents, and an equal rights amendment to the Minnesota Constitution.

The bill pertaining to liability, S.F. 673, was presented by Sen. Cal Larson (R-Fergus Falls), chief author. The bill releases treatment facilities and their employees from civil liability when they oversee a mentally ill person in taking medication prescribed by other providers. The bill does not protect from liability any behavior that is malicious, reckless, or in bad faith.

Speaking in support of the bill, Rep. Mindy Greiling (DFL-Roseville) said that many health care workers want to help people with mental illness properly take their medications, but she said they avoid doing so because of the fear of liability. Greiling said the need is particularly acute in rural areas, where a local health care provider often has more frequent contact with a patient and is better situated to oversee the taking of medication.

William Conley of the Mental Health Association testified in opposition to the bill, saying that it is unnecessary. He said that the existing "reasonably prudent person" standard is sufficient and that the bill unfairly creates a broad immunity that jeopardizes the legal recourse of mentally ill persons who are harmed.

Sen. Don Betzold (DFL-Fridley) offered an amendment to clarify exactly what it means to oversee the taking of medication. His amendment also adds professional malpractice to the list of behaviors not protected from liability. Sen. Thomas Neuville (R-Northfield) said the language should be "professional negligence" but Sen. Richard Cohen (DFL-St. Paul) said the word "malpractice" is broader and more consistent with existing law. The amendment was adopted. Sen. Sheila Kiscaden (R-Rochester) said that public health nurses are not included by the definition of "treatment facilities." She successfully offered an amendment to change the

language to the broader term, “health care providers.”

Kiscaden also said the bill should specify that the immunity from liability only applies when the facility or employee is not paid for overseeing medications. Chris Messerly of the Minnesota Trial Lawyers’ Association said a reference to payment does not help because volunteer staff is typically subject to the same laws as paid staff. Messerly also objected to the bill on the more general grounds that it creates unequal treatment for people with mental illness. He echoed Conley’s assertion that the bill is unnecessary, saying that existing tort law suffices to define the differing relationships between patients and those who assist them.

Neuville said issues remained unclear and suggested the bill be laid over to allow the author and objecting parties to work out the contentious language. Kiscaden said she believed a resolution of issues is very close. The bill was laid over.

Sen. Steve Kelley (DFL-Hopkins), chief author, presented S.F. 333, which grants the State Board of Veterinary Medicine the authority to issue cease and desist orders. The bill specifies that the board may issue an order to cease and desist when an individual violates any law that the board enforces or engages in the practice of veterinary medicine without authorization. Provisions for serving the order and carrying out a hearing are described in the bill. Kelley said one reason for the need to more effectively enforce veterinary practice laws is the unauthorized supply of livestock pharmaceuticals, which can persist as chemical residues in food products. The bill was approved and sent to the floor.

Kelley also presented S.F. 763, which appropriates money to carry out the work plan of a task force on electronic real estate filing. Appropriations in the bill cover work plan expenses, pilot projects throughout the state, and other contracted services as required. The bill grants to the task force complete control of donated money and resources and directs legislative and executive branch employees to assist whenever possible. The bill was approved and re-referred to the State Government, Economic Development and the Judiciary Budget Division.

Cohen authored S.F. 317, a bill that gives Minnesota voters the opportunity to approve an equal rights amendment to the state constitution. The proposed constitu-

tional amendment proposed specifies that the state and its subdivisions may not abridge or deny individual rights on account of gender. The bill specifies that it would be placed on the ballot for the 2002 general election. Kathleen Murphy of the Minnesota division of the National Organization of Women reviewed the history of efforts for the amendment at the national and state level. As an example of the lingering need for the amendment, she said that women still earn only 79 cents for every comparable dollar that men earn. Sen. Warren Limmer (R-Maple Grove) said he doesn’t know if current polling indicates a need for the amendment, saying that he does not hear his constituents mention it. Cohen said that leadership calls a Legislator not to wait to hear from constituents before taking action on an issue that deserves support. Neuville said that he would like to hear testimony from constitutional experts on the complete legal ramifications of the amendment. The bill was laid over.

### **Mailing list bill scrutinized**

The Judiciary Subcommittee on Data Privacy and Information Policy met Tues., Feb. 27 to discuss bills concerning property tax data, data on conservators and guardians, and other issues.

Sen. Leonard Price (DFL-Woodbury) presented S.F. 757, a bill that lets counties implement a system for excluding property taxpayers from marketing lists. Molly Rourke from Washington County said the bill is based on a system in her county whereby 38 percent of property owners have chosen to have their names kept off lists obtained by businesses for solicitation. Keith Carlson of the Metropolitan Inter-County Association said he supports the intent of the bill but added that the process creates impediments to those with frequent and legitimate need to access information. He also said it could be misleading to let property owners believe they would be kept off lists since the information remains public and could be compiled by a marketer anyway.

Carlson also said the bill could affect online access to property information since it is unclear whether a web interface that provides the information constitutes a “list.” Charles Lamb of the Minnesota Land Title Association said such impediments erode access to what has always been considered public information. Rourke said Washington County does not consider

web information to be a list because records can only be accessed individually. Glenn Dorfman of the Minnesota Association of Realtors disputed this point, saying that a website that provides individual records can be used to generate a list. He said the bill does not prevent companies from getting lists of property owners; it only makes it more cumbersome and more expensive to do so. Sen. Don Betzold (DFL-Fridley), chair of the subcommittee, asked if the bill prevents other entities from compiling and selling lists. Marty Henschel of the Minnesota Real Estate Services Association said it does not. Henschel said the bill needs to more clearly define whose list access will be inhibited and for what purposes.

In general, Dorfman objected to the bill’s implication that companies doing direct marketing are bothering the public. He said the 38 percent participation in Washington County is misleadingly high because property owners were not told what “solicitation” they might miss, such as rates for home equity loans or refinancing. Robert Tennessen, speaking for Lexis-Nexis, also objected to what he sees as a bias against commercial activity. Sen. Sheila Kiscaden (R-Rochester) said what he sees as a bias is instead a positive option for consumers to be free of solicitation. Nonetheless, Kiscaden expressed concern about the potential breadth of the bill, saying it could inhibit other non-commercial activity such as research on social issues.

Price said that the option to be taken off lists has been popular in Washington County and maintained that, with language addressing some of the concerns, providing the same opportunity to all counties is a good idea. The bill was laid over.

S.F. 321, authored by Sen. Dave Kleis (R-St. Cloud), encompassed another complex issue. The bill establishes a minimum process of background checks for people appointed as conservators or guardians. The bill distinguishes those who serve in the capacity professionally from family members who are appointed to serve in the capacity. For professional conservators and guardians, the bill requires criminal background checks, unless one has been done in the prior three years, and requires a determination of whether the appointee has been a perpetrator of “substantiated mistreatment of a vulnerable adult.” For non-professionals,

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the bill requires the latter determination and allows, but does not require, the criminal history check. The bill makes provision for the processing of all background checks and requires professionals to file and maintain a public statement of their case and financial histories as conservators or guardians.

Walter Apple, a conservatee, said he supports the intent of bill because his funds were allegedly mismanaged by an appointed conservator. Kleis said the background check does not actually address Apple's concern but the public statement requirement does.

Kiscaden said relatively minor offenses can result in a "substantiated mistreatment" record. She said requiring the information for a family member to become a conservator may have unintended consequences. Kleis said the bill doesn't require a judge to bar the appointment of someone with such a record. Kiscaden said she still is not comfortable that the best interests of families are served. Sen. Warren Limmer (R-Maple Grove) said the three-year window on criminal checks is too long. The bill was also laid over.

S.F. 560 was approved by the subcommittee and referred to the full Judiciary Committee. Authored by Sen. Dallas Sams (DFL-Staples), the bill allows for the creation of a system for the sharing of health care data electronically to study trends in medical error or injury caused by physicians. It specifies that data may be released only if names of persons involved are not included. Barbara Balik of United Hospital said health care data policies are highly protective and emphasized that the databases used for research purposes are distilled and re-created to exist entirely separate from private databases.

Betzold presented two bills on privacy classifications. S.F. 1068 codifies new data classifications for three different public entities. The bill classifies as private the account information of people with money in Edvest, a program that helps people save for education. Data in Department of Human Rights intake files is classified as confidential data on individuals and protected nonpublic data. The bill also classifies as nonpublic the information submitted to the Department of Commerce in applying for self-insurance. S.F. 964 expands to the whole state provisions originally applying to housing and redevelopment authorities in St. Paul.

The bill defines as private or nonpublic the data provided by persons requesting financial assistance and specifies which data become public once assistance is provided. Mark Anfinson of the Minnesota Newspaper Association said the bill is not consistent with other statutes regarding data held private before or after an application for public funds. Both bills were laid over.

Another bill under Betzold's authorship, S.F. 939, brings Metro Area towns under the requirements of the Data Practices Act. Limmer suggested that population should be the trigger for bringing townships under jurisdiction of the act so that Greater Minnesota towns will be included as they grow larger. John Dooley of the Minnesota Association of Townships said non-Metro townships don't collect much data on citizens and the sunshine law makes public what they do collect. The subcommittee approved the measure for inclusion in the omnibus data practices bill.

## Rules and Administration

### Redistricting principles discussed

The Subcommittee on Redistricting of the Committee on Rules and Administration met Mon., Feb. 26, to discuss redistricting goals and principles. Members heard a presentation on traditional redistricting principles by Peter Wattson of Senate Counsel. Committee Chair Roger Moe (DFL-Erskine) presided.

Before Wattson began the presentation, Sen. William Belanger Jr. (R-Bloomington) expressed concern about the fact that Wattson has submitted an affidavit on behalf of the Secretary of State for a redistricting complaint brought in the Wright County District Court. Belanger said he feels this violates the nonpartisan nature of Senate Counsel. Sen. Thomas Neuville (R-Northfield) added, "We want to be able to meet [with Counsel] without fear that our discussions are going to be subject to being in an affidavit somewhere."

Moe said he is to blame for not notifying Senate Republican leadership of the situation, but pointed out that Wattson is a noted expert on redistricting who is providing nothing more than background information for the case.

Wattson then discussed court rulings on the issue of racial gerrymandering. He said the 1965 Voting Rights Act, as

amended in 1982, states that the Legislature is required to draw districts that give a minority-supported candidate a fair chance of winning if the minority population is large enough to form a majority in a voting district, is geographically compact and politically cohesive, and if bloc voting usually defeats the minority choice. A 1993 ruling, however, provides that race may be taken into consideration but cannot predominate over "traditional districting principles," Wattson said.

Traditional districting principles, Wattson explained, require that districts be "reasonably compact" and lie on contiguous territory. He showed numerous examples of oddly shaped districts, created after the 1982 ruling, that snake through a state to pick up scattered pockets of a minority population. Such districts are not allowed under the 1993 ruling, he said. In addition, Wattson said, the 14th Amendment to the U.S. Constitution requires that districts have an equal population. Some variation is allowed, he said, in order to avoid dividing political subdivisions and to avoid contests between incumbents.

Sen. Lawrence Pogemiller (DFL-Mpls.) introduced S.F. 1013, a bill that establishes principles for the redrawing of district boundaries. He said the Legislature has a unique opportunity to conduct a nonpartisan redistricting process because of the current tripartisan nature of state government. He also asked that principles be established before official census data is released in mid-March, in order to instill confidence in the unbiased nature of the principles.

Belanger said he prefers a concurrent resolution to a bill, pointing out that when Democrats controlled both bodies, they passed concurrent resolutions on redistricting. He said a bill is unlikely to pass the House. Pogemiller said he would like to involve the governor in the process, which requires either a bill or a joint resolution. He also pointed out that a law, unlike a resolution, remains in effect during future redistricting processes, so that, "If people want to play politics and change a tripartisan agreement, they will have to change state law."

Pogemiller explained the bill, and said it is based on court decisions and on what the Legislature has done in the past. The bill includes provisions for equal population in districts, contiguous territory, and the numbering of districts. A provision unique to Minnesota,

Pogemiller said, specifies that where possible, district boundaries should increase the probability that a third party candidate will be elected. Cohen asked whether separate third parties, such as the Reform Party and the Green Party, would be considered together under the bill. Pogemiller said the bill can be interpreted whatever way seems most reasonable.

The bill also contains language continuing what Pogemiller called a "Minnesota tradition" of strengthening the Voting Rights Act, which requires that the voting strength of minority populations not be diluted. The bill says that where possible, "Districts must increase the probability that members of the minority will be elected."

Sen. David Knutson (R-Burnsville) asked why the bill requires Congressional

districts to be as equal in population as practicable, but allows legislative districts to deviate from the ideal by as much as two percent. Pogemiller explained that Legislative districts are much smaller in population and area, so more flexibility is needed. The bill was laid over.

## State and Local Government Operations

### Preservation bills approved

The State and Local Government Operations Committee met Tues., Feb. 22, to hear bills about historic preservation, bleacher safety, and township contract limits.

Chair Jim Vickerman (DFL-Tracy) presided over the discussion and wel-

comed testimony from a variety of interested parties.

Sen. Sandra Pappas (DFL-St. Paul) presented two historic preservation bills she is carrying. S.F. 407 requires the commissioner of the Department of Administration to adopt, by July 1, 2002, building codes for renovating or rehabilitating historic properties. S.F. 408 establishes a grant program to be administered by the Minnesota Historical Society for the purpose of preserving historic structures. The bill defines grant eligibility and specifies that a grant may not exceed 20 percent of the total rehabilitation costs. The bill requires the Historical Society to administer the application process and to make an annual determination of the economic impact of the program. The bill makes a one-time



*A young girl waves an American flag in celebration of her newly-acquired U.S. citizenship, as dozens of families gathered in the Capitol rotunda on Tues., Feb. 27, to commemorate International Adoption Citizenship Day.*

Photo by Shelley Hawes

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appropriation of \$10 million for the program.

Charles Nelson, historical architect for the Historical Society, said there are over 6,000 properties in Minnesota on the National Registry of Historic Places. He said "We need a program that will offer incentives and stimulate reinvestment in the communities where these properties exist." Sen. Dan Stevens (R-Mora) asked if the bill includes any guarantee that the grant dollars will be distributed proportionally among urban and rural projects. Britta Bloomberg from the historic preservation office said that there is no statutory requirement in the bill; she said the office will monitor overall distribution of funds through the application process.

The building codes bill was approved and sent to the floor. The grant program bill was also recommended for passage and re-referred to the Committee on Finance.

Testimony was also given on S.F. 453, authored by Sen. Cal Larson (R-Fergus Falls). The bill exempts bleachers owned by the Minnesota Amateur Sports Commission from a safety requirement relating to the width of open spaces in bleachers. Paul Erickson of the commission highlighted well attended events at the commission's National Sports Center. He said the bleachers are safe and the cost to retrofit them would be an unnecessary burden. He said the list of entities originally exempted from the requirement was supposed to have included the commission. Sen. Lawrence Pogemiller (DFL-Mpls) successfully offered an amendment also exempting temporary bleachers used at the Metrodome for National Collegiate Athletic Association events. The bill was approved as amended and referred to the full Senate.

The final bill to come before the committee was S.F. 433, authored by Sen. Twyla Ring (DFL-North Branch). The bill raises the limit placed on the dollar amount town boards may contract out for non-profits to provide health, social, or recreational services. John Dooley of the Minnesota Association of Townships said the limit was set at \$5,000 in 1985 and has not been raised since. The bill raises the limit to \$10,000. The committee approved the bill and sent it to the floor.

## Repeal of purchasing laws okayed

Sen. Jim Vickerman (DFL-Tracy), chair of the State and Local Government Operations Committee, presided over a meeting Tues., Feb. 27, in which two bills

were recommended and placed on the Consent Calendar.

S.F. 494, authored by Sen. David Tomassoni (DFL-Chisholm), repeals existing statutes governing the purchasing process for St. Louis County, leaving the county under the general county purchasing requirements. The provisions repealed by the bill were established specifically for St. Louis County in 1943. Dick Florey of St. Louis County said the old laws, besides being archaic and unworkable, create confusion among vendors in areas where the laws differ with the general purchasing statutes.

The other bill approved by the committee is S.F. 274. Chief Author Linda Higgins (DFL-Mpls) said the bill extends by two years the life of the Respiratory Practitioner Advisory Committee and provides for the expiration of registrations granted to athletic trainers. The bill specifies that an athletic trainer's registration expires if it is not renewed every two years. Richard Auld of the Board of Medical Practice said the bill brings athletic trainer registration into line with the requirements of other professionals the board oversees, including physicians, surgeons, physicians' assistants, acupuncture practitioners, traditional midwives, and respiratory care practitioners.

## State Government, Economic Development and the Judiciary Budget Division

### Tax Court presents budget

Tax Court Chief Judge George Perez and Jack Davies of the Uniform Laws Commission gave budget presentations at a Thurs., Feb 22, meeting of the State Government, Economic Development and the Judiciary Budget Division.

Perez said the \$1.4 million biennial request for the Tax Court is a base line request with the exception of \$47,000 a year for continuing technology funding. He said the workload for the court's three judges remains fairly consistent but highlighted that the three non-judge staff for the court does not include a law clerk. He said the budget request this year does not include a request for a full time clerk but it will in the future. Sen. Ellen Anderson ((DFL-St. Paul) said she has

never heard of judges not having a law clerk and asked Perez how they divide the responsibility. Perez said law student interns attempt to serve in this capacity but face a steep learning curve with complex tax law. Sen. Jim Vickerman (DFL-Tracy) asked how much it would cost to add a full time law clerk to the court's base budget. Perez said they would be paid approximately \$30,000. Anderson and Vickerman both encouraged Perez to provide them with more concrete workload information so that they could consider including a law clerk in this year's request.

Davies said the commissioners of the Uniform Laws Commission do not have a lot of say in its budget request. The only two expenses are dues and travel costs for the commissioners to attend the national conference's annual meeting. Davies said the dues and the location of the meeting are determined by consensus among the member states. The commission's total request for the biennium is \$89,000. Davies highlighted an extensive list of uniform law versions that the commission is focusing on preparing for presentation to the Legislature.

### Admin budget heard

The Department of Administration began a budget presentation at the Tues., Feb. 27, meeting of the State Government, Economic Development and the Judiciary Budget Division. Chair Richard Cohen (DFL-St. Paul) said he fully expects review of the department's budget to take more than one meeting.

The majority of Tuesday's presentation concerned the numerous budget change requests of the department's Office of Technology (OT). The office's request for the biennium totals more than \$31 million. The base budget for the FY 01-02 was under \$7 million. Commissioner David Fisher gave an overview of the department's accomplishments and Reggie David, assistant commissioner for the department, discussed each of the items that account for the increases in the request. Cohen said that a lot of things are not provided for in the governor's budget and OT needs to defend the need for the increases as opposed to the needs of other agencies or departments. "I realize it's not your responsibility to balance the needs of other jurisdictions," he said, "but it is ours."

A total of \$19 million of the increase is directed toward the implementation of



CriMNet, a multi-agency technology initiative for the state's criminal justice system. OT has responsibility for the planning, design, and implementation of the system's "integration backbone," a thorough articulation of the technology, policies, standards, and processes that guide use of the system. The \$4 million added to the base budget for this part of CriMNet includes staff in FY 03 for maintaining the application of the backbone. The other \$15 million is for implementation of the state court system's portion of CriMNet, the Minnesota Court Information System. Cohen asked if the office's oversight of the court's portion of the project places a strain on the separation of powers. Dale Good, chief information officer for the courts, said it is an issue but care is being taken for the two branches to work effectively together.

A budget addition of \$1 million for the biennium, David said, is directed toward completion and maintenance of the North Star Enterprise Portal, which provides a unified interface and coordinated access to websites and other electronic services offered by departments and agencies. Kirsten Cecil, webmaster for the office, offered a demonstration and said the portal makes it easy for people to find and use state information and online services. She said a template has been developed to make it easy for agencies and departments to expand their online presence.

David presented another \$1 million request to create an Enterprise Technology Fund. Enterprise technology, as defined in the budget request, is infrastructure and systems that foster connection among individual units of government and between the government and the citizens of the state. Fisher said the fund will be used for IT pilot projects and prototypes for the creation of electronic government services. Sen. Martha Robertson (R-Minnetonka) said the purpose of the fund sounds the same as the purpose for which the office itself was originally created. David said the office's objectives have broadened and the base funding doesn't cover all of the enterprise technology improvement anymore. Cohen pointed to the request's proposal to generate revenue for the fund by renting space on telecommunications towers. Fisher confirmed the proposal but Cohen said he didn't see the connection between the revenue and the purpose of the fund.

The office also requests additional funding for information technology architecture and for the hiring of additional technical analysts. The architecture request is \$300,000 for the biennium. The staff request is \$324,000 in FY 02 and \$540,000 a year thereafter for a total of 5 new technology analyst positions. David said they will offer improved service to departments and agencies. On the staffing issue, Cohen again pointed to the written budget request and asked about a reference to the department's need to offer higher salaries to attract high quality new hires. "This angers me," Cohen said, "because the University of Minnesota made the same argument and the governor dismissed it." He acknowledged that the department has nothing to do with higher education funding but said the inconsistency points to significant questions and broad concerns about the totality of the budget. Robertson suggested the new positions could be created through reallocations from other departments or agencies who have internal technology analyst staff.

David presented a request for \$2.668 million for the office's small agency infrastructure initiative. She said the appropriation funds basic infrastructure needs for a number of state agencies, boards, and commissions that are not expansive enough on their own to efficiently fund information systems development. The last change item David presented is a one-time appropriation of \$300,000 to modernize unemployment insurance systems for the Department of Economic Security.

## Income and Sales Tax Budget Division

### Bills discussed

The Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Weds., Feb. 28, to hear several bills that exempt various items from the sales tax.

S.F. 32, authored by Sen. Linda Scheid (DFL-Brooklyn Park), provides an exemption on pets sold by nonprofit animal shelters. A technical amendment to the bill was adopted. S.F. 113, authored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), exempts unmarked police cars from the motor vehicle sales tax. S.F. 138, authored by Sen. Ann Rest (DFL-New Hope), provides a sales tax exemption for low income housing project construction

materials, supplies and equipment. The bill, which applies only to nonprofit organizations, was amended to correct technical issues. S.F. 195, authored by Sen. Arlene Lesewski (R-Marshall), exempts admission charges and food and drink sales at any dance sponsored by a nonprofit dancing club. S.F. 301, authored by Betzold, authorizes county agricultural societies to retain their proceeds for capital improvements on buildings and facilities on county fairgrounds. S.F. 724, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), is identical to S.F. 301 and was also heard. S.F. 475, authored by Sen. Jim Vickerman (DFL-Tracy), provides sales tax exemptions for county road and bridge maintenance purchases. S.F. 791, also authored by Vickerman, exempts construction materials and equipment for agricultural processing facilities owned by cooperatives. The bill was amended to specify soybean processing facilities. S.F. 800, also authored by Kinkel, exempts equipment and materials used to make improvements to small resorts.

No action was taken on the bills, which were all laid over for possible inclusion in the omnibus tax legislation.

## Telecommunications, Energy and Utilities

### Energy bills presented

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Tues., Feb. 27, to review three energy bills. Metzen convened the meeting and announced that three energy bills would be presented now and two more at a later date. He said the committee's goal is to provide a strong energy policy for Minnesota by selecting the best elements from the proposals.

Metzen carried S.F. 722, a bill presented by Dept. of Commerce Deputy Commissioner of Energy Linda Taylor. The department began seriously looking at energy issues in August of 1999, which resulted in a report focusing on keeping energy reliable, affordable, environmentally responsible and economically efficient, Taylor said. The key to the proposal, she said, is in looking to conservation measures as a significant factor in solving energy problems.

Speaking for the department, Ann Seha said that a mixture of strategies was

# Committee update

recommended, including comprehensive planning, maximizing energy conservation, streamlining new facility siting processes, promoting modern renewable and distributed energy policies and establishing safety and service standards. The bill requires the commissioner of commerce to submit a proposed energy plan to the Public Utilities Commission (PUC) by March 1, 2002, and every 4 years thereafter.

Sen. Edward Oliver (R-Deephaven) questioned whether the proposal assumes an environment of regulation or de-regulation. Taylor said the department intends to maintain the regulatory system currently in place. The proposal plans to establish a goal for limiting adverse environmental emissions for the genera-

tion of electric energy consumed in the state and establishes a hierarchy of preferred energy sources with renewable resources as the most preferred, after conservation. Among the recommendations, the measure also establishes modern interconnection standards for distributed generation facilities, expands net metering from 40 kilowatt to 2 megawatt facilities and exempts all new generation facilities and capacity additions at existing facilities from the personal property tax.

Metzen also carried S.F. 443, a bill presented on behalf of the Power Campaign, a coalition of labor, environmental and consumer groups dedicated to keeping energy reliable, affordable and clean. An overview of the measure was provided by

Bill Grant, Izaak Walton League, and Pam Marshall, Energy CENTS Coalition. Marshall said that energy assistance applications were up 110 percent this year, which is why the measure supports the establishment of a universal service fund.

The proposal imposes a charge on retail sales of electricity and natural gas to fund a public benefit fund to pay for energy efficiency projects and low-income bill payments and conservation assistance. Based on current usage, an estimated \$135 million will be generated annually. Under the bill, 70 percent of the funds collected from electric sales and 20 percent of the funds collected from natural gas sales must be allocated to energy efficiency programs. Additionally, the measure states that 30



*A young boy from the Capitol Child Care Center tentatively reaches out to a boa constrictor in the Capitol rotunda on Thurs., Feb. 22, during the Minnesota Zoo's annual display of animals.*

Photo by David J. Oakes

percent of funds collected from electric sales and 80 percent collected from natural gas must be allocated to low-income programs.

Extensive reporting on outages, interruptions and other reliability incidents are required under the bill. Provisions specify that the PUC has the authority to order utilities to invest in generation, transmission and distribution infrastructure and to impose a renewable portfolio standard to stimulate construction of new renewable generation facilities.

A portion of the measure requires the establishment of a statewide emissions cap for nitrogen oxide, sulfur dioxide, mercury and carbon dioxide. A property tax exemption to offset the costs associated with meeting new, more stringent performance standards is provided.

In addition, Metzen carried S.F. 1089, a measure authorizing retail competition for power supply services, proposed by the Minnesota Chamber of Commerce. William Blazar, representing the Chamber of Commerce, said the essence of the bill is to give customers the opportunity to choose their generator of electricity. The measure also intends to streamline the regulatory requirements related to power plant and transmission line permitting and siting, according to Blazar. He said the business community recommends increasing conservation, increasing generation by utilities and independent power producers, adding capacity to the transmission system and encouraging the use of new technology.

All three measures were laid over for further consideration.

## Transportation Committee

### Historic trail designated

Four bills were heard by the Transportation Committee on Thurs., Feb. 22. Sen. Randy Kelly (DFL-St. Paul) convened the meeting.

S. F. 681, authored by Sen. Arlene Lesewski (R-Marshall), designates Highway 75, a 400 mile route from the Canadian border to the Southern Minnesota border, as the King of Trails Highway. Lesewski said, the entire trail runs from Manitoba Canada to Galveston, Texas. Mick Myers, of the Pipestone Chamber of Commerce, said, "In Minnesota, the road goes through 30 communities and 100 percent of them are on board." She said the road is thousands of years old and was a

historic Native American and fur-trading trail. Sen. Arlene Lesewski (R-Marshall), said the cost for designation signage is \$16,000 and communities involved will pay for placement of the 50 signs. Betty Popkes, past president of the Lake Benton Chamber of Commerce, also testified regarding committee work that has been done to advance the project. Betsy Parker, from MNDOT, said if the committee appropriates money for the trail, there will be more requests in the future. However, Kelly said, "This designation is unique because it traverses the entire state from north to south." The bill was amended to include a \$16,000 appropriation. S. F. 681 was approved and re-referred to the Finance Committee.

S. F. 585, authored by Sen. Leonard Price (DFL-Woodbury), creates a local road improvement fund for towns and cities with populations under 5,000. The bill was initiated as a result of the city of Newport's street funding problems arising from the Wakota Bridge project. Newport Mayor Kevin Chapelaine, said Newport's funding capacity is only \$1.5 million and after city administrators exhausted all funding avenues, the city is still \$7.2 million short of the \$9.2 million needed for the project. "Without the funding bill," said Newport City Engineer John Stewart, "Newport homeowners would see a \$1,300 per year tax increase." Price said Newport residents want to be involved in the project but can't afford it. The bill helps not only Newport, but all communities with populations under 5,000, said Price. Nancy Larson, from the Minnesota Association of Small Cities, said the association strongly supports the bill. S. F. 585 was approved and referred to the Finance Committee.

Sen. Ann Rest (DFL-New Hope) authored S. F. 488. The bill requires state payment of relocation costs for publicly owned utilities. Rest said, planned reconstruction of Highway 100 prompted funding needs in the cities of Robbinsdale, Brooklyn Center, Crystal and Golden Valley. She said, "The communities' funding shares exceed their ability to pay."

Testimony was heard from representatives of Crystal, Robbinsdale, Golden Valley and Brooklyn Center. Dennis Craft, a Robbinsdale city representative, said Robbinsdale will lose 50 to 60 houses, which will decrease the tax base. He said, because Highway 100 is a trunk highway, law dictates impacted cities are required to

pay for utility relocation. Further, he said, "We have a lot of life left in our utilities, but, because of lower grades on the new road, they have to be replaced at a cost of \$5.5 million. It is an unfair financial burden on Robbinsdale for a road that serves a significant Metro Area population," he said.

Kelly said, "Looking at the cost impact on cities and looking at levy and aid potential, Robbinsdale seems to be the only city that needs aid." Rest said, "The situation is one that the state and this committee is going to have to deal with and you may encounter this again. We are here as a first example." Kelly said that a subcommittee would be formed to address the situation and to look at possible policy solutions. S. F. 488 was laid over.

Sen. William Belanger (R-Bloomington) presented S. F. 444, which adds five members to and extends the life of the Mississippi River Parkway Commission. The bill was approved and advanced to the State and Local Government Operations Committee.

### Constitutional amendment proposed

S. F. 163, a bill to amend the State Constitution, by requiring the dedication of 60 percent of the motor vehicle excise tax (MVET) revenue to the highway user tax distribution fund was heard by the Transportation Committee Tues., Feb. 27. Sen. Randy Kelly (DFL-St. Paul) chaired the meeting.

Sen. Dick Day (R-Owatonna), chief author of the bill, said, in addition, \$200 million from future sustainable surpluses would also be dedicated to the fund. "We've been filling the holes in the general fund for many years – now, I think it's time we fill the holes in highways," he said. Sen. Grace Schwab (R-Albert Lea), agreed and said taxes derived from vehicles should go toward transportation needs. Members concurred.

In testimony, Steve Nyhus, of the Coalition of Greater Minnesota Cities, said, "Transportation has been underfunded for many years and this bill addresses the need to fill the hole from tab fee reduction costs. It would inject some badly needed transportation funds." He asked that the bill be moved forward so that highway funding could be stabilized. Richard Thomas, spokesman for the Association of General Contractors of

# Committee update

Minnesota, also spoke in support of the bill. He said, "The cost of delaying transportation needs means that a \$20 million project could turn into a \$30 or \$40 million dollar project." Further, he said, "We should be looking at a 100 percent dedication of MVET and maybe even another one-time funding kick-start. We're not keeping up here." S. F. 163 was approved and re-referred to the Finance Committee.

Day also sponsored S. F. 165, a bill that increases the speed limit by 10 miles per hour, to 55 mph, on I-35E in St. Paul, from West Seventh Street to I-94. Referring to a stakeholders agreement prior to the I-35E expansion project, that included speed limit restrictions, members generally agreed the bill would lead to court action. Day withdrew the bill.

A bill, S. F. 391, proposing one license plate per vehicle and increasing plate replacement frequency from seven to five years, was presented by author, Sen. Edward Oliver (R-Deephaven). He said, "We would join 19 other states who currently require only back plates on vehicles." A cost savings of \$700,000 per year would be realized as a result of the bill, he said.

Dennis Flaherty of the Minnesota Police and Peace Officers Association and Gene Halvorson of the Minnesota State Patrol testified against the bill. Flaherty said, "License plates are critical to effective law enforcement." Halvorson said he disapproved of the measure on two counts. For emergency and law enforcement purposes, it would be impossible to locate an oncoming vehicle on a two or four lane highway, he said, and laser speed readers would be ineffective because they are aimed at license plates. S. F. 391 failed to gain approval.

S. F. 577, a bill regulating transit on park roads in St. Paul was presented by Sen. Ellen Anderson (DFL-St. Paul). She said the bill creates a joint commission of five, comprised of two park board members, two Met Council members and one mutually agreed-upon member. The purpose of the commission, she said, is to allow input, by park board members, prior to park transit decision-making. Anderson said the bill was prompted by a bus route change in Como Park that routes buses along a residential drive and into an area of the park that is utilized by many people.

Liz Anderson, deputy director of St. Paul Department of Parks, said, "We know

our visitors and what they want. In some parts of the park, bus service would destroy the ambiance and experience." Ron Rud, a Como Park area resident, said, "Consideration wasn't given to park users. In one spot, less than 22 inches separates buses from roller bladers and bikers." In addition, he said, "There are 5,000 vehicles using the road daily and 84 buses going around the lake." Further, Rud said residents and park users didn't have an appropriate amount of time to meet with the Met Council and provide input prior to routing changes.

Anderson said the bill helps balance quality of life issues and is enacted in time to affect transit routes that are scheduled to commence on June 9. S. F. 571 was approved and sent to the floor.

## Transportation and Public Safety Budget Division

### Public Safety budget heard

The Transportation and Public Safety Budget Division met Tues., Feb. 27, to hear a continuation of the Department of Public Safety's budget overview. Sen. Dean Johnson (DFL-Willmar) chaired the committee.

Tom Brace, state fire marshal and director of the Office of Pipeline Safety, said, "On balance, the Office of Pipeline Safety is postured reasonably well." He said the office proposed a budget of \$1.9 million for both FY 02 and FY 03 and the governor's budget recommends the same base level of funding. There are 61,000 miles of pipeline in Minnesota, he said, and the office has seen a four-fold increase in pipeline hits. If the trend continues, said Brace, there will be a need for more investigations. Even so, he said, "Minnesota has an extraordinarily high compliance rate and the Gopher State One-Call program is very successful. The program has the highest call rate per capita than any other incoming call program in the country," said Brace.

The Fire Marshal Office, he said, serves 800 fire departments and inspects other buildings such as hospitals, nursing homes, prisons and schools. He said the governor recommends the fire marshal's base budget request of \$4.264 million in FY 02 and \$4.363 million in FY 03, said Brace. He said that while arson is the number one cause of fires, cigarettes are the primary cause of deaths due to fires.

Mary Ellison, from the Office of Drug Policy and Violence Prevention (ODPVP), said the office serves as a catalyst for statewide approaches to reducing and preventing crime, violence and drug abuse. She said the office's goals and objectives can be found in a six-point strategy that an advisory committee has recommended.

Ellison said the office also awards \$18 million in grants to Minnesota agencies for providing programs and community assistance for crime control and prevention and substance abuse treatment for prisoners. Drug prevention and treatment, prosecution of gang members involved in crimes and auto theft prevention also are targeted with the grants, said Ellison. She said there are also three change items. The \$625,000 Camp Ripley youth camp funding is terminated under the Department of Public Safety and shifted to another department. This was done, she said, because the program meets requirements for funding that is available from the general fund. The auto theft prevention program is terminated at a savings of \$2.3 million and, she said, a racial profiling study is being added at a cost of \$280,000.

Frank Ball, director of the Alcohol and Gambling Enforcement Division gave an overview of the division's budget. The division, he said, has no budget initiatives and is following the governor's recommendations of \$1.847 million for FY 02 and \$1.885 million in FY 03 for gambling enforcement. Additionally, he said, alcohol enforcement is slated to receive \$643,000 in FY 02 and \$647,000 in FY 03.

"The Minnesota Center for Crime Victim Services serves as a statewide advocate for crime victims," said Laurie Ohman, executive director. She said the program aims to help victims regain their physical and mental health, promote a reduction in violent crime, particularly violence against women, and to support the economic recovery of crime victims. Battered women's shelters and reparation benefits to approximately 1,300 crime victims and their families annually, exemplifies some of the center's work, she said.

Ohman said the program's base budget, in the governor's proposal, is \$42,675 and \$42,709, respectively, for FY 02 and FY 03.

# Preview

## Monday, March 5

### Joint Education and Health and Family Security Workgroup on Children's Mental Health

*Chair: Sen. Julie Sabo*

8 a.m. Room 125 Capitol

**Agenda:** Discussion of S.F. 1058.

Children's mental health services legislation.

### Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

9 a.m. Room 107 Capitol

**Agenda:** Permanent Rules and appointment confirmations.

### The Senate is in session at 11 a.m.

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** Budget presentations for the Faribault Academies and the Perpich Center for Arts Education. Governor's proposals for teacher licensure system.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 754-Berglin: Mental health initiatives. S.F. 414-Hottinger: Modifying the Minnesota Utilization Act. S.F. 858-Sams: Establishing a mediation process for day training and habilitation service variance requests. S.F. 530-Scheid: Modifying asset exclusion limits for funds held in certain irrevocable trusts. S.F. 886-Kiscaden: Extending the expiration date of the alternative quality assurance licensing system project. S.F. 876-Lesewski: Permitting schools to sponsor potluck events. S.F. 933-Pappas: Extending the time limit for negotiating a rate increase for certain board and lodging facilities. S.F. 705-Berglin: Changing the supplementary service rate. S.F. 1062-Berglin: Establishing annual rate increases for certain facilities and programs. S.F. 1071-Berglin: Modifying the MinnesotaCare eligibility requirements for persons with continuation coverage.

### Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** Presentations by Catherine Verfaillie, M.D. and John Wagner, M.D.; David Pui, Ph.D. and John Adams, Ph.D. on current University of Minnesota research. Presentation of MnSCU business partnerships by Morrie Anderson, chancellor.

### Legislative Commission on Pensions and Retirement

6 p.m. Room 112 Capitol

**Agenda:** S.F. 451-Pogemiller/H.F. 712-Mares: PERA-Corr, contribution rate reductions. S.F. 625-Tomassoni/H.F. 474-Rukavina: Eveleth Police and Fire, post retirement increase. S.F. 358-Betzold/H.F. 557-Haas: Osseo Volunteer Fire, special appropriation to offset liability increase. S.F. XXX-Betzold/H.F. 1295 Haas: Volunteer Fire, requiring bonding or insurance for financial consultants. S.F. 190-Scheevel/H.F. 207-Rifenberg: Volunteer Fire, increase in lump sum supplemental benefit and state reimbursement. S.F. 810-Pogemiller: PERA, contribution increases, benefit modifications and coverage changes. H.F. 855-Mares: PERA, contribution increases, benefit modifications and coverage changes.

## Tuesday, March 6

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 222-Krentz: Establishing penalties for gross overlimit violations of game and fish laws (only if continued from previous meeting). S.F. 795-Stevens: Requiring the continuation of grant-in-aid snowmobile trail access on newly acquired DNR lands. S.F. 862-Ring: Appropriating money for local community forest ecosystem health programs. S.F. 868-Price: Extending the environment and natural resources trust fund advisory committee. S.F. 912-Tomassoni: Modifying provisions governing use of highway right-of-way by snowmobiles.

### Judiciary Subcommittee on Family Law

*Chair: Sen. Leo Foley*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 617-Knutson: Adopting the uniform parentage act. S.F. 1222-Foley: Clarifying use of certain factors in determining the best interests of a child.

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 56-Wiger: Imposing penalty for trespassing on rail road tracks. S.F. 653-Murphy: Changing distribution of state patrol fines; creating trooper training account and specifying uses of money in the account. S.F. 829-Murphy: Modifying filing fee for vehicle transactions; making clarifying changes. S.F. 930-Schwab: Repealing obsolete rules.

### Rules and Administration Subcommittee on Committees

*Chair: Sen. Roger D. Moe*

12:30 p.m. Room 237 Capitol

**Agenda:** Appointments.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 888-Johnson, David: Airport impact mitigation. S.F. 799-Kleis: St. Cloud transportation planning. S.F. 256-Kiscaden: Council of Health Boards. S.F. 860-Rest: Metropolitan Council non-voting members. S.F. 937-Betzold: Office of administrative hearings.

### Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzen*

2 p.m. Room 15 Capitol

**Agenda:** Continuation of discussion on energy issues: renewables, emissions, consumer protection, and conservation.

### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 125 Capitol

**Agenda:** Department of Natural Resources budget overview. Pollution Control Agency budget overview.

# Preview

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed: Continuation of Department of Health and if time permits, Department of Human Services.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** S.F.99-Langseth: Agricultural homestead property and education agricultural credit. S.F.80-Langseth: Cabin rate. S.F.81-Langseth: C-I and Apartment. S.F.82-Langseth: Raises first tier valuation. S.F. 298-Knutson: Apartments. S.F. 790-Hottinger: Manufactured home parks.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning the Department of Administration's Management Service Bureau/Fiscal Agent and the Department of Trade and Economic Development.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Update and discussion on Metro Transit Police. Budget overview of the Public Utilities Commission.

## Wednesday, March 7

### Rules and Administration Subcommittee on Senate Information Systems

*Chair: Sen. Leonard Price*

8 a.m. 224 Capitol

**Agenda:** Continuation of annual review of existing policies.

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 1031-Wiger: Changing certain educational assistance provisions. S.F. 854-Lourey: Establishing a milk price

control board. S.F. 1085-Vickerman: Providing funding for the development of a soybean oilseed processing facility. S.F. 815-Vickerman: Allowing the Commissioner of Agriculture to approve up to three new ethanol plants for the ethanol producer payment program.

### Commerce Committee

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 831-Frederickson: Modifying requirements for invention developers. S.F. 830-Kiscaden: Simplifying regulation of health insurers and HMOs. S.F. 915-Lourey: Requiring security measures for convenience stores. H.F. 320/S.F. 399-Solon: Authorizing licensed property-casualty insurance agents to assist in the procurement of surplus lines insurance without a surplus lines license.

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Racial profiling bills: S.F. 386-Ranum. S.F. 903-Berglin. S.F. 982-Neuville.

### Jobs, Housing and Community Development

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

### Education Committee

*Chair: Sen. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 341-Kinkel: Requiring credit transfers for certain courses taught within MNSCU. S.F. 610-Pappas: Alternative licensure for administrators. S.F. 943-Ranum: Establishing a board for education administrators. S.F. 988-Kinkel: Establishing a board of education leadership. S.F. 909-Ourada: ISD 877 Buffalo to permanently start school before Labor Day; Superintendent Tom Nelson, Buffalo School District. S.F. 428-Scheevel: Permitting ISD 238 Mabel-Canton to permanently start before Labor Day. S.F. 978-Scheevel: Requiring that school district contracts with teachers be structurally balanced. S.F. 1020-Robertson: Requiring that school district contracts

with teachers be structurally balanced. S.F. 1033-Wiener: Merging unions for technical and community college employees.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 580-Johnson, D.E.: Establishing a nursing grant program for persons of color. S.F. XXXX-Anderson: Prohibiting certain actions by health care facilities when nurses decline to work additional hours. S.F. 1001-Sams: Modifying content and format requirements for Minnesota uniform health care identification cards. S.F. 1060-Fowler: Modifying reimbursement provisions for volunteer ambulance attendant training. S.F. 883-Hottinger: Establishing procedure for requesting a variance or waiver regarding operation, construction, and equipment of hospitals. S.F. 929-Berglin: Modifying the treatment of assets under Medical Assistance for employed persons with disabilities. S.F. 1080-Berglin: Extending the Medical Assistance eligibility temporarily. S.F. 683-Samuelson: Providing reimbursement to county social services agencies for the costs of out of home placement. S.F. 794-Stevens: Establishing a nursing facility case mix transition plan.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed: Continuation of the Department of Human Services.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentations concerning the Department of Trade and Economic Development and the Department of Economic Security.

### Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Budget overview of the Department of Commerce and the Weight and Measures Division.

## Thursday, March 8

### Rules and Administration Subcommittee on Elections

*Chair: Sen. John Hottinger*

8 a.m. Room 107 Capitol

**Agenda:** To be announced.

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session  
Room 112 Capitol

**Agenda:** S.F. 137-Ring: Appropriating money for express transit bus service between downtown Minneapolis and Anoka County Highway No. 22. S.F. 257-Day: Requiring a study and report by the commissioner of transportation of use of I-394 "sane lanes" by single-occupant vehicles; appropriating money. S.F. 387-Kiscaden: Requiring motorists to move to the left lane of multilane highways when approaching an emergency vehicle parked on the right shoulder. S.F. 508-Pappas: Allowing the commissioner of transportation to provide financial assistance to expand railroad bridges.

**The Senate is in session at 9:30 a.m.**

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

10 a.m. Room 107 Capitol

**Agenda:** S.F. 224-Johnson, Dean: Exempting portable fish houses from licensing requirements. S.F. 805-Pariseau: Modifying tag requirements for fur-bearing animals. S.F. 812-Scheid: Appropriating money for a Civilian Conservation Corps worker statue.

### Judiciary Committee

*Chair: Sen. John Marty*

10 a.m. or immediately following Session  
Room 15 Capitol

**Agenda:** S.F. 560-Sams: Health care review organizations provisions modifications. S.F. 179-Betzold: Civil commitment provisions modifications. S.F. 317-Cohen: Constitutional amendment for equal rights

for men and women. S.F. 665-Orfield:  
Uniform Arbitration Act.

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

1 p.m. Room 123 Capitol

**Agenda:** Overviews of conservation reserve enhancement program (CREP); local bridge bonding; and digital TV conversion project.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 771-Kierlin: Qualified newspapers. S.F. 763-Kelley: Real estate electronic records. S.F. 1059-Anderson: St. Paul technology infrastructure. S.F. 780-Betzold: Regulating agency rulemaking.

### Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzgen*

2 p.m. Room 15 Capitol

**Agenda:** To be announced.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget detailed: Continuation of the Department of Human Services.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentation concerning the Department of Economic Security.

### Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

4 p.m. Room 15 Capitol

**Agenda:** To be announced.

### Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Budget overviews of the Ombudsman for Crime Victim Services and the Minnesota Historical Society.

## Friday, March 9

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Continuation of racial profiling bills: S.F. 386-Ranum. S.F. 903-Berglin. S.F. 982-Neuville.

### Jobs, Housing and Community Development

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** To be announced.

## Committee deadlines announced

Committee deadlines have been set for the 2001 Legislative Session. The first committee deadline—the time by which bills originating in the Senate must be heard by Senate committees—is Fri., March 30. The deadline for bills originating in the House to be heard by Senate committees is Thurs., April 12. The final deadline, for budget bills, is Weds., April 25. The deadlines must be adopted by concurrent resolution.

## Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.state.mn.us>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Administrative Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator.

The Senate Web site (<http://www.senate.leg.state.mn.us>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzgen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*An unusually tranquil moment in the Capitol rotunda amidst what might typically be characterized as a clamor of activity during the Legislative Session.  
Photo by David J. Oakes*



March 9, 2001

# Senate Highlights

## Racial profiling debated

The controversial issue of racial profiling was taken up at the Weds., Mar. 7, meeting of the Crime Prevention Committee. Sen. Jane Ranum (DFL-Mpls.) presented an introductory commentary in which she announced the committee's intention to provide a fair and open hearing on a difficult public safety topic. Ranum, who chairs the committee, said that nationally, Minnesota is regarded as innovative and progressive in legislating in many areas including civil rights policies, but that the state reportedly has the unfortunate distinction of ranking near the top in terms of racial profiling. Racial profiling is broadly defined as any police-initiated action that relies upon the race, ethnicity or national origin of an individual, rather than the behavior of the individual, she said. The issue has gained national attention and has been identified as a public safety priority, she added.

State Patrol Chief Ann Beers chaired a workgroup that was formed to report to the Legislature to help determine whether or not motor vehicle drivers in Minnesota are being stopped by police officers on the basis of their race. She said that nine other states have data collection legislation implemented in response to findings, and a

dozen others, besides Minnesota, are currently introducing similar legislation.

Minneapolis Police Chief Robert Olson said his department was awaiting an outside evaluation of data collected from Minneapolis Police vehicle stops. He said the department is continuing to collect data and that he supports recommendations made by the workgroup. Olson said the department had not received sustained complaints of racial profiling in several years.

St. Paul Public Information Coordinator Michael Jordon said he looked at areas where profiling policy was being violated and identified several officers who were not making a fair application of law. The strategy of the St. Paul Police Department, he said, is to continue to collect data, to monitor the acts of officers, to provide better training and to make those who violate the law accountable.

Several citizens of color testified in regard to their vehicles being stopped without probable cause. Younger males were particularly vulnerable to repeated harassment by police, according to witnesses, including Latessa Ward, John Solomon, Frank Dickenson from the Red Lake Reservation and Natalie Johnson Lee.

Former state Representative Alice Johnson told the committee about separate incidents involving her African American husband, who is also a former Representative, and her son, in which they were pulled over by enforcement officials without probable cause. Johnson said she was in the vehicle on one of the occasions and the officer's first question was, "Where are you going?" Johnson took issue with prior testimony by enforcement officials who downplayed the extent of the problem and who said "they had not received sustained complaints about racial profiling incidents."

Three bills were presented to require a racial profiling study. Sen. Thomas Neville (R-Northfield) carried a bill that commissions a racial profiling study by an outside expert retained by the commissioner of Public Safety, based on traffic stop data voluntarily collected by law enforcement officers. The bill provides grants to defray the costs of collecting and reporting data and has provisions to protect the identities of citizens stopped or the officers stopping them. Under the bill, the Peace Officer Standards and Training (POST) Board is required to develop an anti-racial profiling model. The measure also requires that the POST Board include pre-service and in-service training curriculum. Also, the POST Board and the Bureau of Criminal Apprehension (BCA) must conduct a statewide conference and offer regional seminars on racial profiling, under the bill.

Commissioner of Public Safety Charlie Weaver provided testimony in support of Neville's measure. He said, "Training and supervision are really important. I strongly believe that policy should not be mandated because data collection takes time away from other police duties." He said that 4,500 people are stopped each day in Minnesota.

Responding to testimony by Anoka County Sheriff Larry Podany, who said he thought local jurisdictions should make their own determinations about data collection, Sen. Linda Berglin (DFL-Mpls.) said, "I think voluntary collection will just sweep the problem under the rug." She also said that she thought it was inappropriate for the Dept. of Public Safety (DPS) to oversee data collection since DPS has jurisdiction over the Minnesota Highway Patrol.

Berglin presented S.F. 903, a measure that commissions an ongoing racial

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profiling study, supplemented by mandatory data collection by the attorney general with the assistance of an outside expert. The bill outlines reporting requirements and requires officers to distribute explanatory form letters to citizens they stop. Other provisions include requiring the POST Board to develop model policy standards, requiring all law enforcement agencies to implement written policies based on the model and requiring the creation of a Traffic Stop Statistics Advisory Committee to consult with the attorney general and the governor on the implementation and enforcement of the aforementioned provisions.

Attorney Jordon Cushner testified in favor of Berglin's initiative. "The only way to get at this is through the mandatory collection of data," he said.

A third racial profiling study is outlined in a bill by Ranum, S.F. 386. The measure requires that the study, based on mandatory traffic stop data collection that includes nine specified reporting elements, be conducted by an outside expert retained by DPS. Under the bill, the POST Board must develop a model policy on racial profiling, must include a pre-service and in-service training curriculum for enforcement officers and must conduct racial profiling conferences across the state.

## Minimum wage debated

The Jobs, Housing and Community Development Committee met Weds., Mar. 7 and voted on a bill that increases the minimum wage and legislation that establishes a commission to research pay equity.

Sen. Randy Kelly (DFL-St.Paul) presented S.F. 1, which increases the minimum wage from \$5.50 per hour to \$6.50 in two \$.50 increments. "This bill is not about charity. It's not about handouts. It's about the hardworking people in this state," he said. If minimum wage had kept up with inflation for the past 30 years, he said, it currently would be \$7.25 per hour.

Kelly said raising the minimum wage would strengthen the economy. He said that after the minimum wage increase in 1997, employment rates rose. President of the Minnesota AFL-CIO Bernie Brommer said, "Workers won't put this money in a Swiss bank account. They are going to spend it for food and housing. That's what keeps the economy going."

Annette Henkel from the Minnesota Retailers Association said, "Minimum wage is primarily a training wage, a starting wage."

Tom Hesse from the Minnesota Chamber of Commerce said Minnesota's minimum wage should remain equal to the federal standard. He said that today 50,000 workers earn minimum wage, 20,000 people less than in 1998. He said people are able to move quickly up the ladder from minimum wage jobs into middle wage jobs. "We don't support this bill," he said, "because the market seems to be working."

"The market is not working," said Sen. Ellen Anderson (DFL-St.Paul), chair of the committee. "Wages aren't increasing to keep up with inflation and the cost of the basic necessities of life." Sen. Linda Higgins (DFL-Mpls.) said, "Even if you double the minimum, folks wouldn't make enough to live on."

She said that a full-time worker earning minimum wage makes \$11,440 in a year, while an average two bedroom apartment costs \$9,400 a year. "That leaves about \$1,300 for food, clothing and anything else you have to pay for," she said. "How can you say the market is working for those people on minimum wage?"

Peggy Rasmussen, who owns the Countryside Café in Hamel, said that an addition to the minimum wage would mean a raise only for her most highly compensated employees, the restaurant servers. She said all other employees in her restaurant make at least \$6.50 per hour, but servers make minimum wage because they earn tips.

Sen. David Knutson (R-Burnsville) sponsored an amendment to provide a tip credit. The amendment requires large employers to pay at least \$5.15 an hour and small employers to pay \$4.90 an hour to tipped employees. Under the amendment, if a tipped employee does not earn enough tips to cover the difference between the lower hourly rate and the minimum wage for non-tipped employees, the employer must pay for the difference, so that the employee's compensation is always at least the minimum wage.

Currently, Knutson said, tips are considered in income tax and social security calculations, but they are not recognized as wages in minimum wage legislation. If the tip credit is approved, Rasmussen said, servers will still get a raise

when food prices raise, because tips are calculated as a percent of the bill.

Jaye Rykunyik, vice-president at large of the Hotel Employees and Restaurant Employees International Union, said, "It's not fair to say servers are not as valuable as other employees because they choose to serve the public and to serve meals." She said the restaurant owners were the only group of people who say that raising the minimum wage will mean taking money out of the pockets of some employees to give it to others.

The committee defeated the tip credit amendment with a 5-7 roll call vote.

S.F.1 was approved and re-referred to the Finance Committee by an 8-5 vote.

The committee also heard S.F. 638, which establishes a one-year commission to study wage differences between men and women, and between minorities and non-minorities. Anderson, author of the bill, said the commission will not complete any new research projects, but instead it will compile all information currently available on wage disparities and make legislative recommendations.

"There are disparities in what people make," said Anderson. "It's morally wrong, but it's not only morally wrong. It's bad for business. It's bad for the economy. And it's bad for families." She said that women make \$.72 for every dollar men make, which results in a \$3,332 loss of wages per woman each year. Bruce Corrie, chair of the governors' working group on minority business development, said Minnesota has the highest rate of women participating in the workforce, but ranks only 24th nationally in the level of women's wages.

Hesse testified in opposition to establishing the commission. He said that when wages are compared between men and women, minorities and non-minorities who have the same occupation, levels of experience, age and education, wage differences do not exist. "When we look at academic research that adjusts for these figures, they all determine that the wage gap all but disappears," he said. "The only conclusion we can make is that the market is working."

Executive Director of the Council of Asian-Pacific Minnesotans Eileen Her said, "Why do we still need to do this? If we don't do it, we don't talk about, we forget about it."

The committee approved the bill and re-referred S.F. 638 to the Finance Committee.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Ethanol, soybean support okayed

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), considered three bills Weds., Mar. 7. The bills provide support for soybean processing, the ethanol industry, and veterans' education. All three bills were approved.

Sen. Jim Vickerman (DFL-Tracy) carried S.F. 1085, a bill allowing up to \$1 million to be given as a grant to a soybean oilseed processing facility constructed by a Minnesota-based cooperative. Vickerman offered an amendment specifying that the money is only available to a facility that has not received previous state funding. The amendment was adopted.

Glenn Thuringer of the Worthington Regional Economic Development Corporation said a cooperative plans to build a plant in the city of Brewster and hopes to have the same opportunity for state support as a plant being built in Fairmont. Sen. Steve Dille (R-Dassel) asked for clarification on the history of soybean processing facilities and subsidies in the state. Robert Kirchner, chair of the Board of MN Soybean Processors, said there are two plants in Mankato and one in Dawson. He said it has been 25 years since a new soybean plant was built.

Sen. Charles Berg (R-Chokio) said, "The track record of these farmer-owned cooperatives has been really poor" and listed plants across the state that are in poor financial condition. Sen. Arlene Lesewski (R-Marshall) said processing cooperatives in her district are faring well, and added, "I don't care what business you're in, you have good managers and poor managers. I think we've gone down the right path and need to continue to support value-added farm products."

Thuringer said the feasibility projection for the Brewster plant shows there will be little overlap even when the Fairmont plant comes on line. He said 937 members of the cooperative have already raised \$11 million for a new facility. Sen. Kenric Scheevel (R-Preston) brought up the need to prioritize the spending of limited agriculture funds and suggested that \$1,000 in property tax relief might do more good than a \$1 million grant. Murphy said prioritization will be ad-

ressed at an upcoming meeting, and said he hopes to get more money for agriculture than is proposed in the governor's budget. The bill was referred to the Finance Committee with a recommendation to pass.

Vickerman then presented S.F. 815, which extends ethanol producer payments to plants that start production by 2005. It also raises the cap for total payments to producers from \$37 million to \$40 million in a fiscal year, he said. Dille suggested that since many ethanol plants generate considerable profits, the plan should be structured only to give support in financially unsuccessful years.

Berg agreed that ethanol plants have received an inordinate amount of state support and said, "Can we justify using almost all the money we have in our budget for 8,000 farmers when we've got 80,000 in our state?"

Dave Smiglewski, mayor of Granite Falls, discussed plans for an ethanol facility in the town. He said natural disasters and the relocation of major employers have hit the town hard. "Home-owned organizations are a plus," he said, "especially when you've seen corporations make decisions to move out." Paul Enstad of the Granite Falls Community Ethanol Plant said plans are to begin processing by fall 2002. He added, "It wouldn't be helping a few thousand farmers, it would be helping the whole community."

Lorren Tusa of the MN Corn Growers Association said ethanol support is a wise investment, since there is a \$12 to \$20 return on every dollar paid out by the state. He said \$12 million in corn is converted into \$30 million in ethanol in the state. Berg said the bill discriminates against barley and wheat growers, and against livestock operations that have to use corn for feed but don't receive large subsidies. Bruce Kleven, speaking for the MN Association of Cooperatives, said plans exist to build a wheat and barley ethanol plant in northern Minnesota that will process low-quality grain unfit for other uses.

Murphy said, "The only thing we've got homegrown is wind, ethanol and hopefully biodiesel. I think it behooves us to become an energy exporter, not an importer." The bill was sent to the Finance Committee with a recommendation to pass.

The third bill on the agenda was S.F. 1031, authored by Sen. Charles Wiger

(DFL-North St. Paul). The bill raises the cap from \$350 to \$750 per year for educational assistance to veterans or the children of veterans who have died while in the service. Mike Pugliese of the Department of Veterans Affairs said the bill is cost neutral. It allocates \$16,000 more per year from an already existing soldiers assistance program, he said. The bill was sent to the floor and recommended for the Consent Calendar.

## Capital Investment

### Asset preservation addressed

The Capital Investment Committee met Thurs., Mar. 1, to hear asset preservation budget overviews for the Department of Administration, the University of Minnesota, and the Minnesota State Colleges and Universities (MnSCU). The committee also reviewed the wastewater infrastructure funding program (WIF).

Assistant Commissioner Kath Ouska outlined the asset preservation policies of the Dept. of Administration. She said the department manages the maintenance of 21 buildings. She said requests for funding for repairs come through individual offices, although all the funding is channeled through the Dept. of Administration. "We work with agencies to provide oversight," she said. She said most of the agencies' requests are for repairs to roofs, heating and windows.

Ouska noted the difficulty in predicting the exact cost of asset preservation. "We never say, 'We are going to do this, this, and this.' It's winter now in Minnesota but in the spring the snow melts and roofs begin to leak. We never know what exactly to expect," she said.

Eric Kruse, vice president of University of Minnesota Services presented a draft of the institution's predicted asset preservation budget, which will be presented to the committee for inclusion in the bonding bill next year. He said the University's draft proposal asks for \$80 million for maintenance costs to be distributed through Higher Education Asset Preservation and Replacement programs (HEAPR). Kruse said the greatest of the predicted maintenance costs, \$32 million, are for building systems repairs, such as roof and window replacement and elevator repair.

Al Johnson, associate vice-chancellor for MnSCU facilities, brought forth the state colleges and universities' forecast for

asset preservation needs, which will be considered for the 2002 bonding bill. He said MnSCU's 756 buildings are 30 years old on average. He said that inadequate funding in the past has created \$498 million in deferred work. "Our students deserve high quality facilities," Johnson said. "The labs they work in should be at least as good as the ones in the high schools they came from, but often they aren't."

Johnson described MnSCU's plan for reducing the backlog of deferred work. He said MnSCU hopes to boost baseline funding for asset preservation \$10 million each year through 2007. Afterwards, the budget for maintenance needs to remain at \$100 million for five more years, he said. Finally, spending will slowly decrease until 2020, when the backlog will be eliminated, he said.

Terry Kuhlman, executive director of Minnesota Public Facilities Agency (PFA), provided an overview of the department. He focused on the Wastewater Infrastructure Funding Program (WIF). He said WIF matches the United States Department of Agriculture (USDA) Rural Development (RD) grants to develop wastewater infrastructure in small communities.

Kuhlman presented the PFA's legislative initiatives for the session. The first, he said, is to establish the authority of the PFA to consider the cost-effectiveness of a wastewater infrastructure project before giving out a WIF grant. "Currently," he said, "We don't have legal authority to reject a project because it's a waste of money."

The second initiative, he said, reduces the grant subsidies for non-RD projects and enables PFA to leverage local contributions. The PFA hopes to link the local share of the cost of a non-RD project in unsewered areas to the increase in property values caused by the project, he said. The PFA would provide a low-interest loan for the amount of the local share, he said. "To be honest," he said, "The change is going to hurt the owners of lakeshore properties."

The PFA is also pursuing a large policy shift, which will be covered by a single, comprehensive bill, Kuhlman said. He said the measure requires counties to fit WIF projects into comprehensive and local water plans. The policy also prioritizes sewer projects in designated growth areas and allows them to be financed with state revolving fund loans, he said. The

change creates an incentive to direct growth in areas targeted by the commissioner of state planning or the Metropolitan Council and away from environmentally sensitive areas, he said. He also said the state needs to transfer the responsibility for preparing the wastewater intended use plan from the Pollution Control Agency to the PFA in order to better coordinate the plan with the drinking water intended use plan.

## Commerce

### Store security bill heard

Members of the Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth), met Weds., Mar. 7, to hear four bills.

S.F. 915, authored by Sen. Becky Lourey (DFL-Kerrick), requires convenience store owners to install video security equipment in their stores and to educate their employees about safety issues. The bill also provides a tax credit of 50 percent of the cost of purchase and installation for a system, not to exceed \$5,000. Minimum standards for a security system are also established in the proposal. Several members of the committee raised questions about the varying types of stores that would be included or excluded by the legislation. Lourey responded saying the bill was drafted in light of several studies measuring the types of establishments that are the most likely sources of criminal activity or information for law enforcement. She added that cost was also an issue since the state could not afford to offer a tax credit to all retail establishments in the state. Sen. William Belanger (R-Bloomington) offered an amendment that expanded the scope of the legislation to all retail businesses open between 6 p.m. and 5 a.m. The amendment was defeated. Sen. John Marty (DFL-Roseville) moved to amend the bill to clarify owners' responsibilities in maintaining and repairing the equipment. The amendment was adopted. The bill was re-referred to the Tax Committee and recommended to pass as amended.

S.F. 831, carried by Sen. Dennis Frederickson (R-New Ulm), modifies existing invention developer regulations that were originally enacted in 1975. The bill strengthens bonding requirements for invention developers, increases the damage award a court may make to an injured inventor and makes violation of

the regulations a misdemeanor. Sara Madsen of the Minnesota Inventors Congress (MIC) said the bill primarily affects inventors who do not have access to corporate research and development facilities. Michael Neustel, founder of the National Inventor Fraud Center, said many invention developers charge between \$5,000 and \$30,000 for essentially worthless services. They prey on people who do not have the resources to hire a patent attorney, including single parents, the elderly and the poor, he said. Raymond Walz, an attorney who volunteers through the MIC, said he has been frustrated when trying to enforce existing regulations because they have no teeth. S.F. 831, he said, provides the needed strength to protect inventors. Among the provisions Walz highlighted was a section that requires the secretary of state to maintain a list of all outstanding bonds held by invention developers. Currently many developers will pack up and leave the state or change names if an inventor or attorney attempts to pursue them, he said. The bill was referred to the floor with a recommendation to pass.

Sen. Sheila Kiscaden (R-Rochester) carried S.F. 830, which simplifies accreditation, auditing and reporting processes for health maintenance organizations and creates a task force on small business health insurance. Both Kiscaden and the Minnesota Dept. of Health suggested technical amendments to the bill that Kiscaden offered and the committee adopted. Phil Griffin, president of the Minnesota Council of Health Plans, said the bill eliminates duplicate efforts and reports and streamlines health plan operations, allowing consumers to save money. The bill was re-referred to the Committee on State and Local Government Operations with a recommendation to pass.

Solon carried H.F. 320. The bill puts into law an established practice in the insurance business regarding surplus lines insurance. Surplus lines insurance is insurance obtained for special risks, such as skydiving, that is not available through resident agents licensed in Minnesota. In current practice, resident agents assist clients in obtaining surplus lines insurance from a licensed surplus lines agent, according to Dominic Sposeto, Minnesota Independent Insurance Agents. However, recent court cases, he said, have noted that the law is not clear on the legal relation-

# Committee update

ship between the resident agent and the surplus lines agent. The bill was approved and recommended for the Consent Calendar.

## Crime Prevention

### Illicit drugs discussed

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Mar. 2, to consider problems related to methamphetamine production in Minnesota and to discuss a bill that adds the chemical commonly known as “ecstasy” to the list of Schedule I controlled substances. Following the discussions, the committee also heard a report on chronic offenders by a representative of the Legislative Auditor’s Office.

Bureau of Criminal Apprehension (BCA) Special Agent Tim O’Malley provided an overview of methamphetamine (meth) production regionally and

in Minnesota. He said that most of what is available is manufactured in Mexico, but increasingly the labs—which can be small and portable—are setting up in Minnesota. Materials used for the manufacture of the drug are accessible, everyday products like anhydrous ammonia and toluene, he said. O’Malley said the labs are dangerous on many levels, which justifies a collaborative effort by a diverse array of agencies, including the Attorney General’s Office, the BCA, the Dept. of Agriculture, the Dept. of Health, the Dept. of Human Resources, the Dept. of Transportation, the Pollution Control Agency, the division of emergency management and the fire marshal’s office.

Notwithstanding the danger to those involved in ingesting the drug, the explosive potential poses serious problems for those mixing the chemicals and those in proximity to the labs, he said. Children have died in house fires due to meth lab

explosions. The residue from manufacturing is extremely toxic, according to O’Malley, and is frequently dumped on site. Pollution Control Agency Spokesman Steve Lee said that carpeting in hotel rooms, septic systems, wells, rivers, even ice houses have been repositories for the toxic waste.

Meth lab seizures in Minnesota have increased from approximately 17 in 1995 to almost 134 in 2000. The number of meth cases has increased almost 13 percent from 1999 to 2000. “I think agencies are being stressed because the problem is so enormous and will probably worsen over the next few years,” O’Malley said.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 861, a bill that includes the chemical substance 3,4-methylenedioxyamphetamine (commonly referred to as MDMA or ecstasy) to the list of Schedule I controlled substances. Schedule I classification refers



Dozens of life-sized cardboard cutouts filled the Capitol rotunda on Tues., Mar. 6, prior to a rally on behalf of long-term care advocates. Each cutout had a red heart signed by caregivers from around the state who were unable to attend the rally.

Photo by Shelley Hawes

to substances found by the Board of Pharmacy to have a high potential for abuse, which could lead to severe psychological or physical dependence and have no currently accepted medical use in the United States.

Berglin told members that ecstasy has a very high potential for abuse. She said that people are actually sponsoring parties and selling or giving away the drug. "It elevates body temperatures greatly and can cause death," she said.

Assistant Hennepin County Attorney Matt Anderson said the Board of Pharmacy has already administratively included MDMA on its Schedule I list. "It has the same rate of trial as cocaine does and is responsible for five deaths last year," he said. Anderson said the drug effect can last for days or longer and added, "people don't know what they're buying."

A provision in the bill allows for penalty enhancements if a person is found selling or possessing MDMA, if the sale takes place in a school zone, a park zone, a public housing zone or a drug treatment facility.

BCA spokesman Glenn Hardin told members that one of the major concerns with MDMA is that "we don't know the long-term effects of taking the drug, but we do know that it causes some brain damage and other symptoms like apathy and anxiety."

The bill was approved and advanced to the floor.

John Yunker presented the Legislative Auditor's Report on Chronic Offenders. In 2000, Legislators asked the commission to assess the costs and benefits of various strategies that might reduce the impact of chronic offenders, including increased incarcerations. Yunker said the question is, "Do the nature of the crimes justify the costs of incarcerations?" In summary, it was determined that 5 percent of offenders were responsible for committing more than one-third of felony convictions from 1996-1999, according to the report. Yunker said chronic offenders were more likely to commit most any type of crime, particularly property crimes. Most chronic offenders were convicted of more than one type of crime, according to the report. Since Minnesota emphasizes imprisoning violent offenders, some types of offenders are not imprisoned until they have committed numerous felony offenses and may not be imprisoned very long. Those convicted of lower level offenses appear to

receive more severe sentences than other offenders, Yunker said. Minnesota has a low prison and jail incarceration rate but a high probation rate. Ranum said the figures were deceptive because they don't account for the high prison per diem cost rate which is higher than the national average. Yunker said more work is needed to determine the best response to chronic criminal activity.

## Education

### Child care consolidation plan discussed

Members heard testimony from program administrators, parents and students opposing the governor's child care consolidation program at a meeting of the Education Subcommittee on Early Childhood Education Subcommittee. The subcommittee, chaired by Sen. Becky Lourey (DFL-Kerrick), also heard a review of early childhood development studies at the Fri., Mar 2, hearing.

Senate Education Fiscal Analyst Eric Nauman said under the governor's amended child care consolidation plan, participants qualify for the program if their income is between 50 percent of state median income (SMI) and 75 percent SMI. "This creates potential horizontal equity concerns whereby individuals at identical levels will be treated differently depending on their original eligibility for consolidated child care," according to Nauman.

Nauman said CFL estimates additional costs to the current consolidation plan will be incurred if 50 percent SMI entrance and 75 percent exit criteria changes to 75 percent SMI entrance and exit. He said additional costs to the consolidation plan will be \$16.2 million in FY 02, \$20.6 million in FY 03, \$22.4 million in FY 04 and \$24.1 million in FY 05.

Carol Miller, Hennepin County early childhood services social work supervisor, said the amended plan eliminates 25 percent of Hennepin County families currently using the child care plan. She said, "Parents using Minnesota Family Investment Plan (MFIP) generally leave the program as salaries increase, but present participants are grand-fathered in until children no longer require services."

Debra Murray, an employee of Anoka County and past program participant, said, "I am against the governor's proposal

because some applicants may choose underemployment to qualify for the program."

Chris Halling from Minnesota State Colleges and Universities (MnSCU) and Phil Lewenstein from the Minnesota Higher Education Services Office, also opposed the amended consolidation plan. Halling and Lewenstein said they are concerned about the effects of the proposal on the integrated process because students may have to fill out several applications for child care assistance rather than one. Halling and Lewenstein also said they are concerned about the level of consistency and commitment from the county and spending caps that may drop participants from the program. Additionally, 50 percent of students would be dropped because they would not meet the 20 hour per week work requirement, said Halling.

Virginia Dodds from the Higher Education Services Office said students working less than 20 hours have higher credit loads and are in the program for a shorter period of time. Additionally, she said, 57 percent of participants are one-parent households.

Frank Viggiano, from the Minnesota State University Student Association, said, "The governor's plan is short-sighted." There is a growing part-time student population, some with the greatest need for child care, who are getting less in this proposal. Further, he said, "We haven't found a way to get the money to the students who need aid and counties are discouraging students from going to school. The mind-set needs to be changed and barriers to accessing child care need to be removed."

Mike Reddinger and Sean Goettsche, college student government representatives, also testified against the consolidation plan. Reddinger said, "It's a question of student aid versus state assistance." He said if the plan is approved, students with children will be forced to apply for welfare, but if child care dollars are accessible through student financial aid, the money is paid back to the lender eventually. Goettsche said child care aid should be viewed economically because 85 percent of technical college graduates and 70 percent of university graduates stay in Minnesota.

A review of several childhood development program studies was also heard.

# Committee update

## Panel hears transfer bill

Seven bills were heard by the Education Committee Weds., Mar. 7. Two bills address MnSCU initiatives and the other bills address school administrator's alternative licensure training, school district contracts with teachers and school start-date requirements. Sen. Sandra Pappas (DFL-St. Paul) chaired.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), author of S.F. 341, said the bill allows credit transfers from lower division general education courses, in an associate degree program, to any other college or university in the MnSCU system. He said there are two provisions to credit transfer. The transfer credits must be from a class taught by a faculty member whose credentials are equivalent to policy requirements and the student requesting credit transfer must have attained a grade of "C" or better in the class, said Kinkel. The language in the bill was amended to reflect the credit transfer provisions. Members approved S.F. 341 as amended. The bill was referred to the floor.

S.F. 1020, authored by Sen. Martha Robertson (R-Minnetonka), and S.F. 978, authored by Sen. Kenric Scheevel (R-Preston), are bills that require teacher contract settlements be within district budgets. Robertson said the bill requires districts to account for the effects of negotiated teacher salaries on district budgets. She said the bill requires districts to acknowledge salary increases from the steps and ladders pay structure.

Stan Mack, Robbinsdale area superintendent, said, "The bill is a good public disclosure effort and makes for a more uniform reporting standard." Jim Bartholomew from the Minnesota Business Partnership, spoke in support. He said, "Other states require school boards to balance budgets. This bill requires districts have enough money to balance budgets." Bob Meeks from the Minnesota School Boards Association said, "The bill identifies costs and tries to stop forcing residents into teacher salary settlements that aren't affordable."

Education Minnesota representative Jan Alswager said, "The bill holds down teacher's salaries at a time when we can't afford it." She said arbitrators already take into account the district financial situation when negotiating teacher's salaries. "If the bill passes, teachers will be driven to the private sector," she said.

Sen. Steve Kelley (DFL-Hopkins) said the bill requires school districts to account for all revenue but there is no reference to special education money. Sen. LeRoy Stumpf (DFL-Thief River Falls) said, "To some degree, this will push education funding to the brink because there isn't enough money in education to make a reasonable settlement." Sen. Leonard Price (DFL-Woodbury) said, "This approach would drive some changes in education funding." Robertson said the bill is trying to establish logical guidelines. S.F. 1020 and S.F. 978 were laid over.

Sen. Deanna Wiener (DFL-Eagan) authored S.F. 1035, a bill that merges the community college and technical college bargaining units. She said the bill allows the merger of two unions and the result is one unit to bargain with instead of two. The bill was approved and re-referred to the State and Local Government Operations Committee.

Two bills allowing districts to begin the school year prior to Labor Day were presented. Scheevel authored S.F. 428 and Sen. Mark Ourada (R-Buffalo) authored S.F. 909. Scheevel's bill allows the Mabel-Canton School District to begin the school year prior to Labor Day. Rick Nantz, from the Mabel-Canton school district, said the district has less than 200 students in grades 7 through 12 and finds it difficult to get all required courses completed. He said the bill allows for completion of two profiles in learning components during a J-Term. Nantz said, "High school teachers benefit because they teach outside their areas and students benefit because they get an in-depth study."

Ourada's bill permits the Buffalo School District to permanently start the school year prior to Labor Day. Buffalo School Superintendent Tom Nelson said, "The bill allows more flexibility in planning the school schedule. He said there are 177 school days now and little flexibility. "We want the ability to use staff development days throughout the year," he said.

Dennis Breamer and Doug Anderson, from the Minnesota Association of Inn Keepers, said they oppose the bills because school openings prior to Labor Day drain tourism dollars and students are needed in jobs through the Labor Day weekend.

Scheevel's bill, S.F. 428, was approved with a vote of 13-10 and was sent to the floor. Ourada's bill, S.F. 909, was defeated with a vote of 10-11.

Pappas authored S.F. 610, a bill providing alternative competency-based administrative licensure programs. She said 63 percent of superintendents and high school principals are over 50 years old. Additionally, she said, 44 percent of elementary principals and 50 percent of all administrators are eligible for retirement within three years. Access to training is limited for candidates in a large portion of the state, she said. Further, she said, the present rule requires a competency based program, but most institutions offer a program that is course and credit based.

The bill supports efforts of existing higher education programs to develop community-based cohorts in which competency based programs are the norm, said Pappas. Further, she said, the bill provides lower cost, higher quality and geographically convenient competency based programs. Dick Messenburg, a former employee from the Department of Children, Families and Learning, said the bill allows administrative training to go from course-based to competency-based. Service Cooperation representative Karen Novak said she believes in competency-based instruction and course requirement, but the necessary infrastructure for administrative licensure is not in the bill and needs to be addressed.

## E-12 Education Budget Division

### Perpich Center overview heard

The Perpich Center for the Arts Executive Director David O'Fallon, gave an overview of the center to the E-12 Education Budget Division Mon., Mar. 5. Sen. LeRoy Stumpf (DFL-Thief River Falls) chaired.

The center has a budget of \$7 million per year and \$900,000 is invested in post secondary education, said O'Fallon. He said the center includes an arts high school that is limited to 300 students, a professional development institute that works with thousands of teachers and a research center. In fact, he said, "The mission of the school is to bring arts into public education."

The center acts as a portal to MNSCU through activities with Bemidji University and assists the Walker Art Museum in various projects, he said. O'Fallon said last year over 7,000 different guest teachers and teaching artists worked at the school.



"We've had great success because using the arts to teach is a strategy for reaching students and communities—it helps students stay in school and reach their educational goals," he said. In addition, he said, the school uses co-related programming such as using guitar instruction to teach the physics of wave lengths through string vibration. "Some students wouldn't finish school if they weren't able to learn through this system," he said.

About 40 percent of the center's students get their first college choice, O'Fallon said. Stumpf asked if graduates tend to stay in the arts or go into other areas of education. O'Fallon said, "They come out of our program prepared to go into their chosen profession." He added, while some stay in the arts, there are a good number who major in liberal arts.

Several students testified in support of the Perpich Center for the Arts and said they chose the center for their high school experience because it offers an equally balanced education with a broad spectrum of interesting classes. They also said traditional schools aren't challenging in the right areas.

Sen. Debbie Johnson (R-Ham Lake) asked what the enrollment criteria is for the school. O'Fallon said successful completion of grade 10 is the only criteria. He also said students come from all over the state but those who live within 10 miles of the school are required to provide their own transportation to school, while the others live on campus. Further, he said, "We have enough capacity in the security department, dorms, cafeteria and physical plant to take in another 12 students without increasing costs."

Sen. Gen Olson (R-Minnetrissa) said, "We legislate a limit of 300 students but I am willing to put forth a bill increasing the enrollment allotment to accommodate 12 more students." The panel generally agreed with Olson's recommendation.

Sen. Satveer Chaudhary (DFL-Fridley) asked who the learning resource center serves. O'Fallon said, "It's a media center that shows educators how to teach the arts and engage young people." The center serves as a storehouse of information any Minnesota resident can check out on-site or via the web, he said.

The committee also heard Faribault Academies' budget overview from Elaine Sveen, superintendent of the Minnesota Academy for the Blind (MSAB) and Linda Mitchell, superintendent of the Minnesota State Academy for the Deaf (MSAD).

"In the school for the blind, we have 60 students enrolled who learn independent living skills and Braille," she said. In addition to the students on campus, she said, the school serves an additional 25 to 30 blind students who live near the academy.

"Language acquisition and communication access is key to the school for the deaf, because the goal is to make students as independent as possible," said Mitchell. The sooner children have access to language, she said, the more likely they are to stay at grade level which is why early identification is important. Crucial components of the program are learning to sign, write and read, she said. Mitchell also said that of the 150 deaf students, one-third live on campus while the other two-thirds are day students.

Sveen said \$256,000 is being requested in initiative funding for reforms at the academies. She said \$44,000 plus the reallocation of current summer school resources are to fund short-term services at both MSAD and MSAB. In addition, \$75,000 for funding a safety director and another \$75,000 to address safety needs and services required for students and staff is needed, she said. Approximately \$12,000 is to pay for an emergency pager system for MSAD and \$50,000 for one-time funds to address safety and logistical problems with the provision of statewide transportation.

Bonding requests amount to \$7 million, of which \$5 million is for auditorium improvements in Noyes Hall and \$2 million is for asset preservation, including asbestos removal, fire protection systems and repair and replacement of structural items, said Sveen. Needs have been prioritized but \$50,000 in one-time funding for a study to address safety and logistical problems with the provision of statewide transportation is at the top, closely followed by the Noyes Hall renovation completion, she said.

## Higher Education Budget Division

### U of M research presented

The Higher Education Budget Division, chaired by Sen. Deanna Wiener (DFL-Eagan), discussed "gene guns" and stem cells when the committee met Mon., March 5.

Researchers from the University of Minnesota testified on the impact of their research on the state. Dr. Catherine Verfaillie, director of the University's Stem Cell Institute, said, "We are one of the farthest advanced stem cell institutions in the country and around the world." She said researchers at the University are finding ways of injecting stem cells, which are able to reproduce identical cells, into humans in order to repair damaged tissues. She said that in a recent experiment, an injection of stem cells into a mouse, which had suffered a stroke, was able to restore the subject's strength. Verfaillie said that in two to three years stem cell therapy will be able to control symptoms of hemophilia and by 2004 it could be used to help people with diabetes, liver failure, and Parkinson's disease.

"Much of the power of stem cell research and of the human genome project really lies in what we are able to do with it to assess risks of disease," said Dr. John Wagner, scientific director of the Clinical Research of the Bone and Marrow Transplantation program and Stem Cell Institute at the University. He said by examining the genes of a child, doctors will be able to tell the likelihood that the person would have leukemia. "I could tell you your child had a 40,000 fold risk of leukemia, and I could tell you when the leukemia would hit and when the child would die," he said. The knowledge allows for more effective prevention, he said.

Dr. David Pui, director of the University Particle Technology Laboratory, described discoveries in the field of nanotechnology. He said that the development of a "gene gun" at the University has contributed to the human genome project. He also said similar nanotechnology led to the invention of a new kind of steel that is 10 times stronger and one-tenth the weight of traditional steel. His research has also contributed to the making of nanopowders, which are used to make drugs that are 10 times more effective and 8 times faster than normal drugs, he said.

Dr. John Adams, chair of the University Geology Department, said his work focuses on the Twin Cities' regional dynamics, such as the impact of population trends on cities and school districts. "We help folks understand how Minnesota works, so we can find ways of making it work better," he said.

Robert Bruininks, University of Minnesota executive vice president and

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provost, said that the state grows economically from research conducted the University. He said last year the school received 59 patents, got 440 licenses, earned \$455 million in research money and brought about 1,500 jobs to the state. He also said that for every \$1 million the institution spends on research, 38 jobs are created in the private sector.

"Somebody has to provide the training for those 38 jobs and that's where MnSCU comes in," said Minnesota State Colleges and Universities (MnSCU) Chancellor Morrie Anderson, who testified to the committee on the system's business partnerships.

He said that over 350,000 people every year use the MnSCU system. "Every time you walk down a street, one in five employed people that you see is a MnSCU person," he said.

Mark Johnson, chief information officer for Minnesota State University, Mankato (MSU), explained how partnerships with technology companies have affected the campus. He said that Nokia, a leading mobile phone company, is using the school as a testing ground for wireless learning. Students, he said, use cell phones in class to download information from the web.

"We've been leveraging our partnerships to get more partnerships," Johnson said. The partnership with Nokia impressed Dell, a computer manufacturer, and convinced the firm to start supplying the campus with wireless Web-connected laptops, he said. The use of MSU as a laboratory for high tech companies is a win-win situation, he said. Companies get to test new products and services, while students learn to use cutting edge technology, he said.

## Environment and Natural Resources

### Biodiesel bill okayed

The Environment and Natural Resources Committee approved the biodiesel bill, S.F. 326, with minor amendments Thurs., Mar. 1, after hearing extensive testimony from both sides of the issue. Committee Chair Jane Krentz (DFL-May Township) presided.

Sen. Jim Vickerman (DFL-Tracy), author of the bill, explained that the measure requires all diesel fuel sold in the state to contain at least 2 percent biodiesel

fuel by July 1, 2002, and 5 percent biodiesel fuel by July 1, 2006. Vickerman offered a technical amendment to specify that only vegetable fuel oil fulfills the mandate and that the mandate only applies to fuel for internal combustion engines. The amendment was adopted.

Jerry Schoenfeld, representing Minnesota Soybean Growers, said the Environmental Protection Agency (EPA) has certified a 20 percent soy diesel mixture as meeting stringent federal clean air standards. He also said that soy diesel replaces the lubricity that will be lost once sulfur content in diesel is reduced to meet new federal standards coming into effect in 2006.

Schoenfeld introduced Ken Bickle of the University of Minnesota Center for Diesel Research. Bickle cited a number of emissions tests done with 50 and 100 percent soy diesel mixtures. He said particulate matter and carbon monoxide emissions are significantly reduced with soy diesel, but nitrous oxide emissions slightly increased in some tests and went down in others.

Sen. Charles Berg (R-Chokio) asked whether the tests have any bearing on the bill, saying "All the wonderful things tests show are with a 100 percent mixture. We're going to get 2 percent of that." Bickle said there is a linear relation between the blend percentage and emissions reductions. Schoenfeld said, "Nobody's claiming that it's going to totally solve the problem, but a 2 percent level will displace 16 million gallons of diesel fuel in the state."

Sen. Gen Olson (R-Minnetrista) asked how soy diesel impacts engines and fuel efficiency. Kelly Strebog of the Center for Diesel Research said studies show no engine problems even when both fuel and vehicles are stored outside in sub-zero temperatures. He said there is a 5 to 8 percent reduction in fuel efficiency for 100 percent soy diesel, but no measurable difference for the 2 percent mixture. Schoenfeld mentioned some cold weather problems with a 35 percent mixture in Iowa, but said cold flow should not be a problem with a 2 percent mixture.

John Hausladen, president of the Minnesota Trucking Association, testified against the bill, saying, "Creating a new market for soy diesel is not a bad idea, but a mandate is a bad idea." He said emissions tests are unreliable and the environmental benefits overstated. He also said

there are several alternatives for replacing the lubricity lost in a transfer to low-sulfur diesel.

Another concern, Hausladen said, is that the bill may conflict with the Clean Air Act, which aims at a uniform national diesel standard, possibly requiring Minnesota to obtain a federal waiver from the EPA. Leo Raudys of the Pollution Control Agency said the EPA is not concerned with the bill. Raudys also pointed out that the bill addresses the fact that mobile sources produce the most pollution in the state.

Lori Stegink, a chemist with the Barr Engineering Company, said tests on the environmental benefits of soy diesel are inconclusive, citing a test that showed an increase in particulate matter emissions. She added that soy diesel costs much more than other options that meet federal clean air requirements.

Brian Sweeney of Burlington Northern Santa Fe said train engines are different from truck engines, and are very close to exceeding nitrous oxide emissions standards. He said the industry is concerned about inconclusive tests relating to nitrous oxide and about the lower energy content of soy diesel.

Russell Sheaffer of the engine manufacturer Cummins North Central said he could not guarantee a customer that soy diesel is going to perform reliably and added, "I oppose the effort to force the public to give up the right to choose which fuel to use."

Sen. Pat Pariseau (R-Farmington) expressed support for soy diesel, but advocated letting consumer choice and competition bring the best product to the top. Olson asked, "Can soy diesel stand on its own as an economically viable alternative that can create its own industry without our help?" Vickerman said a mandate is sometimes necessary to get people to move forward. Sen. Steve Dille (R-Dassel) pointed out that feedlot mandates were recently placed on farmers.

Sen. Lawrence Pogemiller (DFL-Mpls.) offered an amendment to clarify that soy diesel is taxed in the same way as any other diesel fuel. The amendment was adopted. The bill was sent to the Tax Committee with a recommendation to pass.

### Tougher poaching laws okayed

The Environment and Natural Resources Committee, chaired by Sen.

Jane Krentz (DFL-May Township), approved three bills Tues., Mar. 6. S.F. 222, authored by Krentz, establishes penalties for severe overlimit violations of game and fish laws. Major Chuck Schwartz of DNR Enforcement explained that the bill defines three degrees of violations based on the restitution value of the animals taken over the legal limit. A first degree violation is for a total value of over \$5,000, a second degree for over \$1,500 and a third degree for over \$500, he said. An offender's license is revoked for a period of three to ten years, depending on the degree of the violation, and any motor vehicles used to take or transport a first or second degree overlimit violation may be seized, Schwartz said.

Krentz offered a number of amendments to address concerns raised in a subcommittee hearing on the bill. The first amendment placed the list of restitution values for each game and fish species in state statute to make it clear to citizens what constitutes a gross overlimit violation. The restitution values were previously part of Department of Natural Resources (DNR) rules, she said. The amendment was adopted.

Sen. Twyla Ring (DFL-North Branch) offered an amendment to raise the restitution value for trumpeter swans from \$1,200 to \$1,500. Ed Boggess of the DNR said trumpeter swans are doing well in the state and pointed out that the amendment makes it a second degree violation to kill one swan. Ring suggested a \$1,450 restitution value. Sen. Dan Stevens (R-Mora) said he finds the amount recommended by the DNR better policy than the arbitrary amount proposed by Ring. The amendment was not adopted.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) offered an amendment to change the value for gray wolves from \$2,000 to \$1,400. The amendment was adopted.

Sen. Charles Berg (R-Chokio) offered an amendment to remove the \$30 restitution value for raccoons and opossums, saying the animals are pests with little natural resources value. The amendment prevailed on a 9-8 vote.

Sen. Jim Vickerman (DFL-Tracy) said he sometimes kills rabbits that eat in his garden. Senate Counsel pointed out that homeowners are allowed to kill pests on their own property. On hearing this, Sen. Leonard Price (DFL-Woodbury) asked to reconsider Berg's amendment. Krentz

pointed out that Berg's amendment implies that leeches, which have a small restitution value in the bill, are more valuable than raccoons. The amendment was reconsidered and defeated 8-9 on the second vote.

Sen. David Knutson (R-Burnsville) offered an amendment addressing subcommittee concerns about a section allowing officers to make an arrest on the basis of a "reason to believe" that a first or second degree violation was committed. The amendment deletes the section. Knutson pointed out that rules of criminal procedure already give enforcement officers guidelines for making arrests. The amendment was adopted.

Krentz offered four amendments addressing issues raised by the commercial fishing industry. One amendment sets a restitution value of \$1 for fish under four inches; a second amendment clarifies that fish are not in possession until they have been removed from the net and placed in a vehicle for transportation; a third amendment provides that a voided license may be reissued to an aquatic farm if the public welfare is not injured; a fourth amendment clarifies that the license reinstatement fee must be returned to the licensee if the licensee is acquitted of an overlimit violation. All four amendments were adopted.

In conclusion, Krentz said, "We're not after grandma and grandpa with fish in the freezer. We're after egregious offenders who deplete natural resources for every citizen." The bill was re-referred to the Crime Prevention Committee with a recommendation to pass.

Ring presented S.F. 862, a bill that appropriates \$500,000 in FY 2002 and \$500,000 in FY 2003 for local forest health programs. Of the appropriation, \$300,000 is to be used each year to protect native oak forests from oak wilt. A second provision appropriates an additional \$300,000 each year for community forestry assessments and tree planting.

Steve Nelson, director of Isanti County Parks, said the fight against oak wilt is gaining momentum and needs to continue to keep oak trees from experiencing the fate of elm trees decimated by Dutch Elm disease. Oak wilt is much easier to control than Dutch Elm disease, according to Nelson, but requires experienced forestry personnel. The bill was sent to the Finance Committee with a recommendation to pass.

Price presented S.F. 868, a bill extending the existence of the Environment and Natural Resources Trust Fund Citizen Advisory Committee (CAC). Nancy Gibson, chair of the CAC, explained that the 11-member committee hosts public hearings and makes recommendations to the Legislative Commission on Minnesota Resources (LCMR) about funding proposals. Gibson said, "As the fund grows, more citizen input will be the key to success with natural resources in our state."

Stevens, questioning whether the advisory committee successfully represents citizens' priorities, said programs funded by the LCMR emphasize parks and trails projects even though water quality is the prime concern of the public. Gibson said the committee is also frustrated sometimes by the results of the process but tries to make recommendations without considering political ramifications.

Kinkel asked about a section of the bill that creates a task force to help better integrate the CAC in the process of making funding recommendations. He asked whether relations have gotten so bad that the LCMR and the advisory committee need to be forced to work together. Senators Pat Pariseau (R-Farmington) and Bob Lessard (IND-Int'l. Falls) agreed that the section unduly involves the CAC in the funding process. Sen. Ellen Anderson (DFL-St. Paul) supported the idea of a task force, saying that she has observed a lack of connection between the CAC's proposals and the work of the LCMR.

Kinkel also offered an amendment specifying that advisory committee members elect their own chair. The amendment was adopted. The bill was re-referred to the State and Local Government Operations Committee with a recommendation to pass.

## Environment and Agriculture Budget Division

### DNR budget continued

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), continued hearing the DNR budget Thurs., Mar. 1. Members heard from the Parks and Recreation, Ecological Services and Wildlife Divisions.

Deputy Commissioner Steve Morse said the Parks and Recreation Division

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manages 248,000 acres of land across the state, including 66 state parks. One third of state park operating costs, he said, are paid through fees. Morse said the division is working to acquire 26,800 acres of private land within the boundaries of state parks by 2020.

The division is requesting a budget change to allocate \$7.730 million in the coming biennium from lottery in-lieu-of-sales tax revenues to state parks, Morse said. He explained that the division fell \$8 million short of the funding needed to maintain minimum standards in FY 2000. Lottery in-lieu-of-sales tax money allocated in 2001, Morse said, helped reopen some camping grounds and extend hours for interpretive centers. However, the money was a one-time appropriation, so a budget change is needed to permanently allocate lottery in-lieu-of-sales tax money, Morse said.

Morse also detailed plans to reallocate money to create a more efficient revenue management system for state parks. He said the current system requires multiple re-entries of data and leads to errors and inefficiency. Sen. Jane Krentz (DFL-May Township) objected to the fact that lottery in-lieu money will be used for base activities, saying the funds were meant to be a supplement. She expressed concern about the tight budget, saying, "We are very disturbed that we are going backward at a time when the state is seeing a record economic boom."

Morse then spoke on the Ecological Services Division. He said the division supports efforts to sustain native plant species, restore critical ecological processes, and protect rare species. The division also leads exotic species control efforts, Morse said. In addition, he said, the division has surveyed 64 Minnesota counties for rare plant and animal species as part of the Minnesota County Biological Survey. Morse said the division plans to reallocate money to continue the survey, although insufficient funding necessitates a slowdown in the survey process.

Morse also discussed two Legislative Commission on Minnesota Resources (LCMR) projects that are recommended by the governor but not by the LCMR. The Forest Bird Diversity project is requesting \$450,000 for the biennium to complete the final stage of a 12-year survey of bird populations. Lee Pfannmuller, director of Ecological

Services, explained that experts identify 125 birds by song alone at stations across the state. She said the information is useful for the forest products industry, since insect-eating birds are vital to forest health.

The Mussel Resource Survey project is requesting \$450,000 for the biennium to gather data on mussel populations in the state, Morse said. In answer to a question from Sen. Linda Higgins (DFL-Mpls.) about whether money could be added to the LCMR fund, Price said expenditures are limited to the interest generated by the fund.

Finally, Morse discussed the Wildlife Management Division. He said the division serves 600,000 hunters and 1.3 million wildlife viewers by promoting sustainable wildlife populations. The division manages over 1,300 Wildlife Management Areas (WMAs), Morse said. He added that many species populations, including wild turkeys, bald eagles and black bears, are at an all-time high, and that restoration of the trumpeter swan and peregrine falcon has been successful. However, he said, efforts are still directed at assisting some rare and declining populations.

Morse said lottery in-lieu-of-sales tax funding provided by the 2000 Legislature has restored many services that will be continued in the coming biennium. He said the services include improved maintenance of WMA habitats and facilities and more technical assistance in decisions affecting wildlife habitat on private land.

## DNR budget overview concluded

The Environment and Agriculture Budget Division heard the last of the Department of Natural Resources (DNR) budget overview Tues., Mar. 6. Members heard from the Operations Support, Fisheries, Enforcement, and Trails and Waterways Divisions. Committee Chair Leonard Price (DFL-Woodbury) presided.

Steve Morse, deputy commissioner of the DNR, outlined the four budget activities of the Operations Support Division, which comprise 12 percent of the entire DNR budget. Morse said the Field Services Bureau serves the entire agency in the areas of facilities and equipment maintenance, procurement services, loss control for the DNR staff, and architectural and surveying services. The Field Services Bureau, he said, minimizes

costs by encouraging divisions to share equipment, establishing regular maintenance schedules, and streamlining the procurement process. Morse said the bureau is facing a budget squeeze and plans to eliminate three positions.

The Regional Operations Support program, Morse said, is "the eyes and ears of the agency throughout Minnesota." He said offices throughout the state coordinate the delivery of agency programs in their regions. Inflation is putting pressure on the program's budget, Morse said, so \$960,000 in internal reallocations is targeted toward retaining regional operations staff. Morse said the program's services are crucial for natural resources management.

The Administrative Management program oversees activities such as human resources, licensing, information systems, and diversity, Morse said. He said major accomplishments include a toll-free telephone information source, a DNR web page, and a new electronic licensing system. The budget for the program has remained flat despite rising operating costs, Morse said, and the program is losing money as a result of the snowmobile budget reduction.

Morse said base resources will be reallocated to address priorities such as human resources and information systems. Mary Oneill, director of DNR human resources, said the money will be used to hire a recruiter and a staff member to advise managers. Jack Shea, DNR chief information officer, said the management and information systems initiative will replace an inefficient revenue processing system. The agency expects to reduce long-term costs by hiring information staff rather than contracting outside the agency, Morse said.

Finally, Morse said, the recreation and local grants initiative provides financial assistance to local governments to build recreational facilities. A total of \$4.1 million in grants were provided in the last biennium, he said.

Morse then discussed the Fisheries Division. He said 900 lakes in the state are stocked with walleye and 70 with muskellunge. Steelhead catch rates and brown trout populations have gone up, he added. The division also worked on habitat improvement on 30 lakes and 43 miles of streams in 2000, Morse said.

Morse said the division is requesting \$3.9 million annually in Heritage En-

hancement dollars from lottery in-lieu-of-sales tax funds for expansion of urban fishing, fish hatchery maintenance, walleye stocking research and other programs.

Morse continued the overview with the Enforcement Division. The division ensures compliance with state game, fish and recreational vehicle laws, and also operates safety education programs for firearms, snowmobile safety and hunting, Morse said. He mentioned that the firearm accident rate has dropped by 38 percent since 1990. The division is requesting continuing funding from lottery in-lieu-of-sales tax money to support basic services, Morse said. About \$1.2 million each year will be used to retain newly hired officers and \$664,000 each year will implement an equipment replacement program.

Sen. Jane Krentz (DFL-May Township) objected to lottery in-lieu-of-sales tax money being used for basic services. She said the administration should recognize budget pressure in the DNR and provide a budget adequate to cover basic services, leaving lottery in-lieu money for supplemental programs. Morse said he understands Krentz's concern, but if lottery in-lieu money is not used to fund basic services, cuts will have to be made in other areas. Krentz replied, "We fought really hard to get that \$25 million and it drives me crazy to see it chipped away."

The last item on the agenda was the Trails and Waterways Division. Morse said the division manages access to lakes and waterways and administers state trails. Budget pressures will result in reductions in the snowmobile program and the water access program, Morse said.

## **MPCA budget overview begun**

The Minnesota Pollution Control Agency (MPCA) began presenting a budget overview to the Environment and Agriculture Budget Division Weds., Mar. 7. Committee Chair Leonard Price (DFL-Woodbury) presided.

Commissioner Karen Studders outlined budget pressures facing the agency. Three factors create a tight budget, she said: a \$1.1 million reduction in federal grants, \$3.5 million in inflationary pressure, and \$1.8 million in under-collected state fees. Studders said the governor's budget address the state's highest priorities by proposing a reorganization of the Environmental Fund, an interagency feedlot initiative, and cuts to specific programs. Studders said, "I think

it's important that we clearly articulate what we can and cannot do."

Sen. Linda Higgins (DFL-Mpls.) asked if other agencies are facing similar budget problems. Studders said fee-based agencies in general face budget pressure because fees don't have an automatic escalation clause to account for inflation.

Deputy Commissioner Lisa Thorvig continued the overview. She said the MPCA's mission is "to help Minnesotans protect the environment." The agency has made progress on addressing point sources of pollution, she said, resulting in fewer emissions of federally regulated air pollutants, better safeguards on petroleum storage tanks, and cleanup of brownfields, but a new focus is needed on non-point sources such as cars and feedlots.

Thorvig discussed the need to cut 70 full-time equivalent employees, resulting in elimination and reduction of some programs. She said the average cost per full-time equivalent has increased from \$44,000 to \$66,000 in the past four years, because of a combination of inflation, increased health care costs and union pressure. In addition, she said, Minnesota has been so successful in its clean-up projects that federal funding is being directed toward other states.

However, the public still expects the same level of service, Thorvig said. "We can no longer continue to perform under a squeeze from all sides," she said, "so we're proposing what work we can continue and what we can't." She said 9 percent of programs will be cut under the governor's budget. Eliminated programs include wellhead protection, indirect source permitting, sludge/biosolids, and 401 certifications, according to Thorvig, and reductions occur in groundwater monitoring, regulatory and remediation programs, emergency response and administration.

Some of the reductions occur because of successful program completion, some activities are the responsibility of other state agencies, and some reductions will result in permitting backlogs and reduced monitoring of environmental issues, Thorvig said. Price asked if other agencies know that they now have primary responsibility for programs eliminated by the MPCA. Thorvig said the agencies are aware of reductions and will miss the MPCA's work, but don't necessarily have the funds to pick up the lost programs.

Thorvig then outlined the environmental tax reform proposal. She said a

funding switch was made in the 1980s from general fund dollars to fees under the "polluter pays" principle. Thorvig said the "polluter pays" principle doesn't work in practice, "It is often unfair and based on who has the ability to pay rather than who should pay the fees." For example, she said, mobile sources cause 57 percent of air pollution but business and industry pay for 98 percent of air quality programs.

"We need to pool our funding sources for use in a broad-based manner," Thorvig said. Under the reform proposal, she said, no one will pay more, but separate specifically targeted funds will be consolidated into a single Environmental Fund that can be used for the highest priorities. Also, the hazardous waste fee and the water quality fee will be eliminated, she said, because they are under-collected and burdensome to administer. Thorvig said the solid waste fund over-collects and will cover the lost areas. She said the elimination of the two fees was meant to gain public support for the reform, but no support has materialized.

## **Health and Family Security**

### **Suicide prevention initiative heard**

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Mar. 5.

Sen. Linda Berglin (DFL-Mpls.) presented the first of several bills, S.F. 754, a comprehensive initiative relating to mental health. Under the bill, the commissioner of health is required to make suicide prevention an important public health goal by conducting suicide prevention activities. The bill specifies that the commissioner must coordinate and implement a state suicide prevention plan and must create or contract for a public awareness education plan. A provision requires that the commissioner form a partnership with media vendors for the purpose of implementing an educational suicide awareness campaign. According to Berglin, a grant program must be established to fund community-based programs to focus on populations at high risk for suicide. Other grant programs to fund suicide education plans for schools, the workplace and organizations are outlined in the measure. A portion of the bill details the establishment of grants and awards directed at funding research to further understand the risks and protective factors related to suicide and suicidal

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*Typically a painter of landscapes, Richard Rock of Goodhue County came in from the cold on Tues., Mar. 6, to capture some of the architectural beauty of the State Capitol on canvas.*

Photo by Shelley Hawes

behaviors. The research must detail effective prevention programs, clinical treatments and culturally specific intervention plans for Minnesota. The measure also prevents the commissioner from publishing any statistics on committing suicide or attempting suicide in any compilation of crime statistics.

Additionally, a pilot project grant program is created under S.F. 754 to provide transitional housing and other community support services for former state prison inmates who have been diagnosed with serious mental illness. Other provisions increase the reimbursement rates for adult residential programs and family community support grants, offer a realignment of funding from regional treatment centers to community-based services and increase the payment rate to

providers of mental health services that received at least 30 percent of their revenue from contracts with counties to provide services under the Adult or Children's Mental Health Act. The bill clarifies and expands definitions in the Adult Mental Health Act, expands what is required of health plan coverage related to mental health and specifies other requirements related to expanding Medical Assistance coverage for those with mental illness.

The measure was approved and referred to the Crime Prevention Committee.

Sen. John Hottinger (DFL-Mankato) presented S.F. 414, a bill that modifies the Utilization Review Act and includes a redefinition of "practice of medicine." The measure requires that a physician conduct-

ing a review must be licensed in Minnesota and be practicing in the same specialty as the physician who is ordering care. A provision requires that a utilization review organization file an annual report with the commissioner of commerce that includes the number and rate of claims denied based on medical necessity for each procedure or service and the number and rate of denials overturned on appeal.

The bill was approved by the committee and re-referred to the Commerce Committee.

Sams authored S.F. 858, a bill that establishes a mediation process for variance requests related to day training and habilitation service for adults with mental retardation. Specifically, the measure allows a vendor to request that the

commissioner mediate by convening a reconciliation conference after a county board's action or failure to consider a variance request. A portion of the bill creates the day training and habilitation payment structure pilot project. The bill amends the rate structure recommended by the task force—the entity created to develop a payment rate structure—and extends the life of the task force. The bill also requires that the task force make recommendations to the commissioner regarding the implementation of the pilot project, which will test individualized payment rate structures for day training and habilitation vendors.

The bill was recommended to pass and re-referred to the Finance Committee.

Sen. Linda Schied (DFL-Brooklyn Park) presented S.F. 530. The measure modifies Medical Assistance asset exclusion limits for funds held in irrevocable trusts for burial insurance. The bill repeals the \$2,000 cap created as a preneed funeral arrangement limit and allows the purchaser to set the irrevocable portion of the trust at any level. Sen. Sheila Kiscaden (R-Rochester) offered an amendment to require a \$5,000 limit on the amount of the irrevocable funds set aside for burial services. The amendment was adopted and the measure was approved and re-referred to the Finance Committee.

Kiscaden authored S.F. 886, a bill that extends the Region 10 alternative quality assurance licensing project for developmental disability services. The measure extends the expiration date from June 30, 2001 to June 30, 2005 and makes other changes related to the project. The project was established for the purpose of improving the quality of services provided to persons with developmental disabilities and was piloted in the counties of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha and Winona. The bill was approved and re-referred to the Finance Committee.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 933, a measure that extends an expired time limit until June 30, 2002, for negotiating a rate increase of up to \$575 for residential group housing facilities if at least 75 percent of the residents have mental illness or chemical dependency. The bill was approved and re-referred to the Finance Committee.

Berglin authored S.F. 705, a bill that increases the supplementary service rate cap from the current \$575 up to the

nonfederal share for case mix A—approximately \$1,200—for residential group housing facilities if at least 75 percent of the residents have mental illness or chemical dependency. The bill was approved and re-referred to the Finance Committee.

Berglin also authored S.F. 1062, a measure that establishes annual rate increases for Medical Assistance rates paid to nursing facilities, intermediate care facilities for persons with mental retardation and other community-based providers. The basis of the adjustments are tied to the annual percentage change in the Employment Cost Index for Private Industry Workers. The bill was laid over for further consideration.

### **Collaborative time study**

A Joint Education and Health and Family Security Workgroup on Children's Mental Health met Mon., Mar. 5, to hear testimony on the local collaborative time study. Sen. Julie Sabo (DFL-Mpls.) chaired.

Ralph McQuarter from children's services, Department of Human Services, said, "The Local Collaborative Time Study (LCTS) is a method of claiming federal reimbursement for a portion of administrative activities currently performed by corrections, public health, and public school partners in family services collaboratives and children's mental health collaboratives in Minnesota." The funding is used, he said, to expand early intervention and prevention services to children and families. About 81 percent of public schools participate in the program and all but 10 counties participate as the fiscal, reporting and payment agent for LCTS, he said.

In the year 2000, said McQuarter, \$41.3 million in LCTS funds were distributed to collaboratives and \$34.7 million was spent. He said 5 percent of the funds were spent on administration and 95 percent on five additional categories. The child development and school performance area received 40 percent of the funding and the family functioning area received 23 percent. Also receiving funds were the areas of organization, community and systems change—17 percent, child and/or family health—16 percent and other early intervention and prevention services—4 percent.

McQuarter said the collaboratives are looking at the child's whole needs and

have local control over how the integrated money is spent. Sen. Linda Berglin (DFL-Mpls.) asked if there should be better prioritization and oversight on how funds are spent for children's mental health. He said it is a question of regulation versus over-regulation and that the focus should be on early intervention and expansion of those services.

Sen. Julie Sabo (DFL-Mpls.) said she would like to see the program focus on preventative measures in younger children because it is easier to achieve a positive outcome then rather than when they're older and are involved in drug abuse, violence or are run-aways.

Testimony was also given by Mary Heiserman from the Wilder Institute and Lynnell Thiel, a teacher from the Achievement Plus School. Heiserman said there are many barriers to intervention and there are more children needing prevention and mental health services than can be provided for under the current funding system.

### **Nursing shortages addressed**

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples) met Weds., Mar. 7, to consider a bill aimed at alleviating the nursing shortage.

S.F. 580, presented by Sen. Dean Johnson (DFL-Willmar), establishes a grant program for students enrolled in a nursing education program who are economically disadvantaged. Under the bill, grants must be at least \$3,000 but not more than \$5,000 per year. The Higher Education Services Office (HESO) is required to select up to three schools to participate in the grant program. Other provisions expand the loan forgiveness program for nurses who agree to practice in institutions caring for individuals with mental retardation and establish a rural nursing career scholarship program. The bill also establishes a community health care planning and implementation program in the Minnesota Dept. of Health to help plan and implement responses to local health care issues. Also, the measure authorizes the commissioner to select nursing facilities for increasing the operating payment rates to expand the availability of employer-sponsored health care coverage for facility employees. Another provision includes the deletion of the \$6 per hour maximum salary for summer interns. The measure was ap-

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proved and re-referred to the Education Committee.

Sen. Ellen Anderson (DFL-St. Paul) carried S.F. 1336, a bill prohibiting retaliation against nurses who refuse to work additional hours out of concern for patient safety. Anderson said it was unfair and unsafe for health care facilities to require nurses to work extremely long hours and back-to-back shifts that compromise the standard of care nurses provide. Anderson referenced a report indicating that 41 percent of nurses interviewed said that due to staffing shortages and the long work hours required, they would not feel comfortable having a loved dependent on hospital nursing care.

The bill specifies that a hospital, nursing home, hospice or other licensed health care facility is prohibited from taking action against a nurse who rejects an assignment of additional hours in excess of an agreed upon, predetermined work shift if the nurse declines work because she thinks doing so would jeopardize patient safety.

Under the measure, "patient abandonment" is defined to refer to one who severs the nurse-patient relationship without giving reasonable notice so that alternative arrangements can be made for patient care, the failure to fulfill the responsibility of a patient assignment or to transfer the responsibility to another qualified person who accepts it. One portion of the bill adds patient abandonment to the list of grounds for disciplinary action by the Board of Nursing. Following testimony both favoring and opposing the measure, members agreed to lay it over for further discussion.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 1062, a bill that provides automatic inflation adjustments in Medical Assistance rates paid to nursing facilities and intermediate care facilities that provide for persons with mental retardation. Berglin told members that since cost-of-living-adjustments were done away with, care facilities were experiencing serious problems in filling staff positions. The bill was approved and re-referred to the Finance Committee.

Sen. Becky Lourey (DFL-Kerrick) authored S.F. 871. The measure modifies the definition of subsidized health coverage as defined in the MinnesotaCare program, by increasing the portion of the coverage for which the employer pays, from 50 to 60 percent. A provision

exempts families and individuals who apply to the program upon termination from continuation coverage from the four month "no other coverage" carrier and defines termination from continuation coverage as involuntary termination for any reason other than premium nonpayment. The bill also repeals a section that prevents a person from having coverage under both General Assistance and MinnesotaCare in the same month. Members approved the bill and re-referred it to the Finance Committee.

Berglin presented two related bills, S.F. 1080 and S.F. 929, both dealing with extending a person's Medical Assistance (MA) eligibility. S.F. 1080 extends MA eligibility for up to three months if the person is an eligible employed person with disabilities and is temporarily out of work due to a verifiable medical condition. S.F. 929 expands the asset limits under the MA program for persons previously eligible for MA under the employed persons with disabilities option. An author's amendment to S.F. 929 specifies that assets of eligible persons not be considered for 12 months due to loss of earnings because of a disability. Both bills were recommended to pass and re-referred to the Finance Committee. Sen. Chuck Fowler (DFL-Fairmont) presented S.F. 1060, a measure relating to ambulance service. Fowler said the measure is needed to address budget cuts to service providers as a result of the federal Balanced Budget Act. Provisions in the bill expand several existing programs that support volunteer ambulance services. Under the bill, a study of the challenges facing rural ambulance services is required and a matching grant program is created to make up for revenue shortages. A provision increases maximum reimbursement rates handled by the Emergency Medical Services Regulatory Board for costs associated with attending continuing education courses. Appropriations include \$1 million to the ambulance service personnel longevity award and incentive trust account and \$75,000 to the Center for Rural Policy to conduct the study. Members approved the bill and re-referred it to the Finance Committee.

Sams carried S.F. 1001, a bill that makes modifications to health care identification cards to include uniform prescription drug information used in processing prescription drug claims. The measure was approved and re-referred to the Finance Committee.

Sen. John Hottinger (DFL-Mankato) authored S.F. 883, a bill that creates a procedure to request a variance or waiver from the rules that relate to the operation, construction and equipment of hospitals. Jerry Crest, representing Immanuel St. Joseph's Hospital said the variance was needed in order to allow the hospital to construct an atrium/garden as a focal point for hospital patients. Current law disallows the construction of hospital rooms opening into a covered interior public space, he said. The Minnesota climate often prevents patients from enjoying outside garden spaces and atriums provide a pleasant alternative, said Crest. The bill was approved and recommended for the Consent Calendar.

## Health, Human Services and Corrections Budget Division

### DOC budget reviewed

Members of the Health, Human Services and Corrections Budget Division met Thurs., Mar. 1, to hear the second part of a Dept. of Corrections (DOC) budget review.

Assistant Commissioner Erik Skon summarized program strategies in the Adult Facilities Division, which includes the operation of eight adult facilities and the coordination and supervision of chemical dependency, education, industry programming, inmate health care and other support services. Skon said the division developed an inmate per diem reduction plan and continued the MINNCOR (prison industry) plan with the goal of being self-sufficient by the end of 2002. The division opened a Level Four prison in Rush City, refined managed health care for offenders and established transitional centers as pre-release programs at Faribault, Lino Lakes and Moose Lakes, he said. Additionally, Skon said the division implemented other programs including the development of the LSI-R, a risk assessment tool to identify offender risk factors. The division also opened an expanded DOC infirmary and mental health units at Oak Park Heights, he said.

The administration's budget proposal includes approximately \$290 million for FY 2002 and \$292 million for FY 2002 for the Adult Facilities Division, representing a reduction of \$18.436 million to implement a per diem reduction plan; a biennial increase of \$3 million for facility cost



efficiency investments; and a reallocation of \$175,000 to prioritize health care services for inmates.

Assistant Commissioner of Management Services Terry Carlson briefly reviewed programming provided by his division. He said the base budget of \$27.318 million for FY 2002-03 was recommended by the administration, with the addition of \$1.5 million to develop a statewide system for tracking offenders in jail or prison or under community supervision as part of the multi-agency CriMNet initiative.

Juvenile Services Director Tim Walsh reviewed programming in his division. He said his agency provides overall planning and direction for the department's juvenile legislative and policy initiatives, two residential facilities, transition and aftercare services and children's mental health services. In addition, the division implements interagency collaboration, training and technical assistance to counties and other juvenile services.

Walsh said that there has been an impressive reduction in juvenile recidivism rates that is probably due to the quality of programming. Programs include sex offender treatment, chemical dependency treatment, mental health programming, cognitive behavior programming and transitional and aftercare services, according to the report. Walsh said, "Another contributing factor [to reduced recidivism] could be that we're getting older offenders who commit people crimes—and they don't offend as often."

For the biennium, the division base budget totals \$19.016 million for FY 2002 and \$19.340 for FY 2003. The administration recommends base funding levels except for a one-time reduction of \$3.171 million in non-dedicated fee revenue collected for reimbursement of costs at MCF-Red Wing in FY 2002, and approval of a dedicated fee increase for per diem cost increases of \$545,000 for the biennium at Thistledeew Camp.

Deputy Commissioner Mark Carey presented the Juvenile and Community Services portion of the budget. Carey said he wanted to emphasize that housing shortages represent a serious problem for offenders trying to re-enter society. For felons, the mentally ill and others, it is increasingly difficult to find housing, Carey said.

A substantial portion of Carey's report involved discussion of strategies to

accelerate innovation and best practices by facilitating state-of-the-art training, accessing the most progressive research and providing critical data elements to guide policy and funding. The department allocates \$268,767 for training, \$317,967 for technical assistance and \$113,266 for performance accountability.

### Health budget reviewed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Tues., Mar. 6, to continue reviewing the Health Dept. budget proposal.

Assistant Commissioner Dick Wexler detailed change items related to the access and quality improvement program. Under the proposal, the budget for Health Maintenance Organization (HMO) is transferred from the Minnesota Department of Health (MDH) to the Dept. of Commerce as part of the proposed health plan regulatory reform initiative. Wexler said the transfer was intended as a means to improve consumer protection by applying a consistent single set of standards. Currently, HMO regulation is fee based at MDH and funded by a state government special revenue fund. Wexler said that following implementation of the plan, HMO regulation will be a fee-based activity in the Dept. of Commerce, funded by the General Fund. The proposal also includes the deregulation of occupational therapists and speech language pathologists and audiologists to reduce spending by \$810,000. Sen. Sheila Kiscaden (R-Rochester) said she opposes the plan and questioned the omission of an alternative regulatory plan.

Assistant Commissioner Marie Dotseth outlined the proposed one-time, \$10 million appropriation from the Health Care Access Fund to enable MDH to produce a series of reports on the state of health and health quality in Minnesota. Dotseth said the plan provides for 19 new staff positions. Sen. Sheila Kiscaden (R-Rochester) said she was uncomfortable with the expenditure. Sen. Linda Berglin (DFL-Mpls.) also expressed concern over the costs involved in programming that takes money away from actual hands-on services. Dotseth said the department was interested in providing services according to best practices and that the Center for Health Quality is intended to access information needed to guide in policy-making.

Commissioner Jan Malcolm detailed a plan for academic health center funding. She said that the University of Minnesota is the state's primary source for physicians and that changes in health care financing have eroded the Medical School's core funding. The budget request includes an additional \$160 million from the tobacco settlement funds to finance a medical education endowment for FY 2002 to support medical education at the University of Minnesota's Academic Health Center. An additional \$8 million each fiscal year beginning in FY 2003 is appropriated for the same purpose. Malcolm also reviewed initiatives with appropriations totalling \$15 million for FY 2002 and FY 2003 from the health care access fund to support the state's safety net health providers.

The healthy kids learn program proposal was reviewed by Assistant Commissioner Aggie Leitheiser. Under the plan, \$174 million of tobacco settlement payments are used to create the healthy kids endowment to support immunization, school indoor air quality improvements to mitigate asthma triggers and a program to promote the use of less toxic substances in Minnesota's schools.

Leitheiser also presented a plan for drinking water protection that adds a \$460,000 appropriation over base funding for both FY 2002 and FY 2003, a proposal to appropriate an additional \$210,000 to provide food safety inspections for public and private schools and an additional \$90,000 in FY 2002 and \$60,000 in FY 2003 to cover costs involved in the environmental laboratory certification program. Other programs reviewed included projects to fund emerging health threats and management and support services. Leitheiser also detailed programming for vulnerable adults to conduct activities related to federal compliance standards and complaint investigations, increasing fees to health care facilities for Medicare and Medicaid matching dollars for survey and complaint functions. Provisions for conducting background checks for nursing facility staff were also discussed.

### DHS budget detailed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Weds., Mar. 7, to continue reviewing the health budget.

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Director of Reports and Forecasts George Hoffman presented a forecast of expenditures for use in the state forecasts that are released in November and February during each fiscal year. According to the report, general fund costs for DHS medical and economic support programs for the 2000-2001 biennium are now forecast to total \$4.177 billion, slightly less than projected in the November 2000 forecast. Hoffman said the decrease is primarily due to a reduction in the Medical Assistance forecast for FY 2002. He said that forecast expenditures of federal TANF (Temporary Assistance to Needy Families) funds for MFIP grants are \$200 million, representing a \$6 million increase over the projected November forecast. The health care access fund forecasted costs for the MinnesotaCare program are \$264 million, the same as the November 2000 forecast, he said.

Budget proposals were also provided by Assistant Commissioner of Finance and Management Operations, Dennis Erickson and Director of the Licensing Division Jerry Kerber.

## Jobs, Housing and Community Development

### Restructuring discussed

The Jobs, Housing and Community Development Committee assembled Fri, Mar. 9, and heard an overview of the governor's plan to restructure departments related to workforce development.

Minnesota State Colleges and Universities Chancellor Morrie Anderson, who the governor recently appointed to lead the workforce development restructuring transition team, detailed the need for greater workforce development activities. According to Anderson, there will be 20 million unfilled jobs in the U.S. in 15 to 20 years. A study done in 1999 found that 38 percent of the people who applied for jobs lacked the skills necessary for the positions for which they applied, he said. He also said that in 1998, 70 percent of employers said that a shortage of skilled workers was a barrier to the growth of their businesses.

Anderson said that, in the past, the government has taken a laissez faire approach to workforce development. There is no overarching organization to provide guidance to all the agencies, departments, offices and workforce centers,

he said. "There is very little accountability to broader objectives, because we haven't created broader objectives," he said. "We need to start to benchmark spending against results."

Roger Hale, chair of the Governor's Workforce Development Council (GWDC), said, "We have a wide array of programs and services that generally do good work, but are not connected to each other and, in some cases, may actually be working at cross purposes or be redundant."

The governor has proposed restructuring several state departments that deal with workforce development, Anderson said. Ventura's plan includes eliminating the Department of Trade and Economic Development (DTED) and redistributing economic security responsibilities among departments, he said. Most of DTED's activities will be subsumed by the new Department of Economic and Workforce Development, he said.

Anderson said, "As we move forward, there will be three to four reports on who reports to whom. Our discussion, at this point, has been very rudimentary."

Sen. Ellen Anderson, chair of the committee, said, "The governor won't be making any changes without the Legislature, but we won't be making any changes by committee deadline. But it's good to have a process in place."

Sen. Michelle Bachmann (R-Stillwater) said she was concerned that the new focus on workforce development might result in the state trying to predetermine the needs of industry. Morrie Anderson said, "Workforce development is not government determined, it's industry determined. Our goal is to support industry and meet industry needs." He said the new policies allow the state to be proactive and to create a governmental strategy for meeting future needs.

## Judiciary

### Prescription monitoring bill revisited

In a meeting held Thurs., Mar. 1, the Judiciary Committee took up several new bills and revisited another that was laid over at the Feb. 22 meeting.

S.F. 673, a bill carried by Sen. Cal Larson (R-Fergus Falls) was taken up again. The bill grants immunity from liability to people who assist mentally ill

persons in taking prescription medication. Larson said one example of the need for the bill is a constituent who has two sons taking court-ordered medications. Larson said that, because of the fear of liability, the mother of the children can not find a local person to supervise the medication. Sen. Jane Ranum (DFL-Mpls.) said she supports the bill's intent, but is concerned about possible unintended consequences. Sen. Warren Limmer (R-Maple Grove) repeated his concern that the bill creates a lower standard of protection from harm for people who are mentally ill.

Sen. Thomas Neuville (R-Northfield) said the committee needs to clarify certain scenarios to establish a legislative record for the courts to use in applying the bill. He said it is not clear, in the case of a resident of a facility, who is granted immunity. Sen. John Marty (DFL-Roseville), chair of the committee, said the malpractice language covers the scenario of a resident being observed taking medication. Neuville also said the definition of "dispensing medication," which is not protected by the bill, is not clear. He said the bill in general does not clearly balance the intended immunity with the desire for helpful and competent observation of medication. He told Larson that is possible the bill will not even do what he intends it to do. Sen. Leo Foley (DFL-Coon Rapids) said the discussion points to several aspects of the bill that need refinement. Larson said he thought the changes made the previous week had addressed the ambiguities, and asked Neuville to help him develop language to address the concerns. The bill was laid over again.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 221, a bill that amends laws pertaining both to animal cruelty and to dangerous dogs. Pappas summarized the provisions of the bill that pertain to legal matters of interest to the committee. Foley found provisions addressing rules of evidence to be ineffectual and successfully offered an amendment to remove the section. Limmer (R-Maple Grove) asked if the bill's \$1,000 upper limit on fees for registering dangerous dogs is too high, saying that it may create an undue burden on people who own certain dogs to protect property. Bill Forbes, an animal control officer from Bloomington, said the current fees don't come close to the cap. Pappas said the cap is there so that the fees do not become too high and emphasized that the

fees only apply once a dog has done something requiring it to be registered as dangerous. The bill was approved and sent to the floor.

The committee approved two bills carried by Sen. Randy Kelly (DFL-St. Paul). S.F. 824 amends the standard “Good Samaritan” law to clarify the law’s application to people whose workplace has automatic external defibrillators. The current law denies immunity to persons rendering emergency care “during the course of regular employment,” and Kelly said some employers feared even non-medical personnel could still be held liable. The bill clarifies that people who use an automatic external defibrillator at work are immune from liability as long as emergency medical care is not normally part of their work duties. The bill was sent to the floor. The other bill brought by Kelly, S.F. 756, gives federal law enforcement officers the authority to make arrests in Minnesota under the same conditions specified in current law for officers from adjoining states. The bill was approved and recommended for the Consent Calendar.

Sen. Don Betzold (DFL-Fridley) sponsored H.F. 636, a bill that represents the latest effort by the revisor of statutes to clean up language in existing state law. The bill makes numerous technical changes such as correcting grammar, eliminating obsolete references, or revising language that is not gender inclusive. The bill was approved for placement on the Consent Calendar.

In other business, the committee referred S.F. 617, a Uniform Law concerning parentage, to the Family Law Subcommittee.

### **Uniform parentage law questioned**

The Judiciary Subcommittee on Family Law met Tues., Mar. 6, to examine a parentage act recommended by the Uniform Laws Commission. Another bill was discussed that amends the definition of “the best interests of a child.”

The Uniform Parentage Act, S.F. 617, was presented by Chief Author David Knutson (R-Burnsville) and Jack Davies, a commissioner representing the Uniform Law Commission. Knutson highlighted the bill’s attention to contemporary issues such as genetic paternity testing and surrogacy contracts. Davies presented an overview of the law’s provision and said that amendments approved by the full

Judiciary Committee make changes necessary to retain aspects of existing Minnesota parentage law.

Several people gave testimony that bill is more substantive than typical uniform laws. Rep. Kathy Tingelstad (R-Andover) said the scope of the uniform parentage law substantially changes the state’s family legislation and should be given more time for a thorough examination by all concerned parties. She highlighted surrogacy provisions and changes to the registry of fathers as examples of changes that needed further study. Davies acknowledged that the surrogacy provisions are drafted in a way that accommodates conservative states.

Christa Anders from the Department of Human Services said a thorough preliminary analysis reveals a number of potential issues affecting a wide variety of people. She recommended establishment of a legislative task force to study the uniform law’s impact. Sen. John Marty (DFL-Roseville) asked for her recommendation as to who would convene the task force and how it would be funded. Anders said the Supreme Court would be better qualified to see that all of the issues are addressed, but she said her department could oversee a task force without requesting an appropriation.

Mark Ponsolle of the Minnesota County Attorney’s Association supported an interim task force, as did Mark Fiddler of the laws on children section of the Minnesota Bar Association. Fiddler echoed Tingelstad’s concern about changes to the registry of fathers, saying the uniform law creates two conflicting standards. He said the uniform law in fact makes a plethora of changes that affect current parentage provisions.

Davies defended the bill, saying that there is nothing in the uniform law that requires a task force to study for a whole year. “This bill is not as complicated as the witnesses suggest,” he said. He added that a couple of weeks’ study will suffice and recommended the bill be taken up again soon in this session. The bill was laid over and Marty said that concerned parties should be contacted and prepared to testify again in a couple of weeks.

The meeting also included testimony on S.F. 1212, which is authored by the chair of the subcommittee, Sen. Leo Foley (DFL-Coon Rapids). The bill amends the definition of the “best interest of the child” as it applies to custody decisions, making

provisions for the consideration of domestic abuse. The bill makes no presumption against custody being granted to abusers, but does require the court to make detailed findings on the impact of granting custody to someone who has committed certain kinds of domestic abuse.

Cyndi Cook of the Minnesota Coalition of Battered Women said the requirement in the bill has two key components. She said judges must consider the ongoing emotional and physical safety, not just the past effects, of abusive behavior. And she said judges are required to account for the effects of abuse not just on the child but on the other parent. Although there is no clear record of the extent to which abuse is considered in custody cases, Cook said a survey by the coalition indicated the need for the legislation.

Sen. Michelle Fischbach (R-Paynesville) asked if a conviction for domestic abuse is the minimum that requires the court to address abuse in the custody findings. Joel Carlson from the coalition said the bill allows for evidence of abuse to be advanced in a number of ways in the custody hearing.

The bill was approved and referred to the full Judiciary Committee.

## **Rules and Administration**

### **Rules advanced**

The Rules and Administration Committee met Mon., Mar. 5, to review proposed changes in the Permanent Rules of the Senate. Sen. John Hottinger (DFL-Mankato), chair of the subcommittee charged with developing the rules, outlined the changes contained in the proposed permanent rules. One of the major changes, he said, was a reordering and renumbering of the rules. Familiar rule numbers, such as Rule 35 (objecting to the reference of a bill or committee report) and Rule 49 (the substituting of Senate language on a House bill), no longer represent those actions, Hottinger explained. Instead, the new numbering system adheres more closely to the actual progress of a bill through the legislative process, he said.

The committee, chaired by Sen. Roger D. Moe (DFL-Erskine), made only one change. A portion of the rules requiring agency bills to be introduced three weeks before the first deadline in odd-numbered

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years and two weeks before the deadline in even-numbered years had been deleted in subcommittee because the rule proved unworkable. Remaining language in the rule requiring the chief author of agency bills to deliver a fiscal note on the bill was no longer needed and was deleted.

The rules were approved and advanced to the full Senate as a resolution for further debate and action.

Members also began consideration of four appointments to the Campaign Finance and Public Disclosure Board. However, members had questions about the political affiliation requirements for appointment and the affiliations of two of the candidates. The panel decided to delay action on the appointments.

## Redistricting principles debated

The Rules and Administration Subcommittee on Redistricting met Weds., Mar. 7, and Thurs., Mar. 8, to discuss proposals containing the principles to be used in redrawing congressional and legislative districts.

Sen. Lawrence Pogemiller (DFL-Mpls.) sponsored two measures for the panel to consider. The first, S.F. 1013, describes the principles and would, if enacted become part of the statutes. The second, S.F. 1326, is a joint resolution describing the principles. Pogemiller said that his preference is for having the principles in statute, but with either proposal the governor's signature is required.

The principles encompass the requirement that new districts be substantially equal in population, be composed of convenient contiguous territory, be numbered in a regular series beginning in the Northwest corner of the state, not dilute the voting strength of racial or language minority populations and preserve political subdivisions. In addition, the principles specify that communities of interest be preserved, that districts be politically competitive and that data from the 2000 census be used.

Much of the debate centered on the principle of districts being substantially equal in population. Under the provisions in the proposals, the population of congressional districts must be as nearly equal in population as practicable and the population of legislative districts must be substantially equal in population with a

deviation of not more than two percent. Pogemiller said that the substantially equal principle is the most supreme of the principles but, based on previous court cases, the other principles may also be considered when redrawing district lines. A series of amendments were offered to require that the deviation for legislative districts be smaller. The first amendment, offered by Sen. Dave Kleis (R-St. Cloud), specified that legislative districts be as nearly equal in population as practicable. Kleis said the amendment ensures that the population in each district is equal and makes the principle equivalent to the standard for congressional districts.

Sen. Roger Moe (DFL-Erskine), chair of the panel, said that requiring the districts to be exactly equal interferes with the other principles such as preserving political subdivisions. Sen. Thomas Neville (R-Northfield) said, in support of the amendment, that the amendment ensures that population is the most important principle in redistricting. The amendment failed on a 4-6 roll call vote. Two additional amendments, specifying the deviation be 1/2 of 1 percent and 1 percent, respectively, were also rejected.

An amendment, offered by Neville, specified that a legislative district may deviate downward from the ideal only if the projected growth rate of the district for the current decade is greater than the projected growth rate for the state as a whole. In addition, the amendment specified that a legislative district may deviate upward from the ideal only if the growth rate is less than the projected growth rate for the state.

Pogemiller argued against the amendment and said that the provision makes suppositions about the future. In addition, he said that if the amendment were adopted, additional language needed to be prepared to take into account those individuals not counted in the census. The amendment failed on a 4-6 roll call vote.

The panel also began consideration of an amendment offered by Sen. David Knutson (R-Burnsville), specifying that districts not be created to unduly favor any political party and that the districts must not be drawn for the purpose of protecting an incumbent. No vote was taken on the amendment because of time constraints.

## State and Local Government Operations

### Sport field grant programs okayed

Among the measures approved Thurs., Mar. 1, by the State and Local Government Operations Committee were two bills renewing grants programs administered by the Minnesota Amateur Sports Commission. The bills were re-referred to the State Government, Economic Development, and the Judiciary Budget Division.

Both of the sports grant program bills were presented by Sen. James Metzen (DFL-South St. Paul). The first, S.F. 144, is authored by Sen. Dean Johnson (DFL-Willmar) and renews a grant program that renovates or creates new soccer fields. The other bill, S.F. 669, is under Metzen's authorship and renews a similar grant program for ice rinks. Both bills provide for grants at three levels of matching support which grow as the amount of the grant grows. The bills also require an attempt on the part of the commission to disperse the grants equally among the state's eight congressional districts. The appropriations to be considered by the budget division are \$12 million for soccer fields and \$4 million for ice rinks.

Metzen said the hockey grant program has been very successful around the state and has helped meet the trend toward gender equity in the sport. He said the renewal gives another chance to those communities that have struggled trying to raise the matching dollars needed to participate. The soccer field grant program, Metzen said, is the more recent of the two and reflects the growing popularity of the sport. Paul Erickson, from the commission, said soccer's popularity crosses all lines of geography, gender, language, and ethnicity. Sen. LeRoy Stumpf (DFL-Thief River Falls) added that parents can involve kids in soccer with very little expense, especially when compared to hockey.

The committee approved three other bills and sent them to the floor. S.F. 849, authored by Committee Chair Jim Vickerman (DFL-Tracy), makes staff of the Rural Policy and Development Center eligible for state employee insurance and benefit programs. Jack Gellar from the center said that 25 other non-profits have been granted the same access. Chief Author Ann Rest (DFL-New Hope)

presented S.F. 646, which amends provisions governing the Suburban Hennepin Regional Park District. Curt Holten, from the park district, said the only substantive change in the bill allows the park district's board to set the level of compensation for its commissioners. Holten said the level of compensation has not been changed since being established in 1974 as a \$35 per diem. The final bill approved by the committee is S.F. 570, authored by Sen. Mady Reiter (R-Shoreview). The bill repeals a number of obsolete administrative rules pertaining to a variety of departments, agencies, and boards, some of which have themselves been abolished. The measure was recommended for placement on the Consent Calendar.

### Airport mitigation bill heard

The State and Local Government Operations Committee discussed several bills Tues., Mar. 6, including a complex piece of legislation intending to mitigate the impact of the Minneapolis/St. Paul International Airport expansion. Representatives from the cities of Bloomington, Richfield, and Minneapolis were present to give testimony with Sen. David Johnson (DFL-Bloomington), chief author.

The bill, S.F. 888, begins with language comprising a legislative finding and an extensive list of definitions used in laying out the mitigation process. The process defined in the bill includes provisions for cities to study the impact, to create and approve mitigation plans, and to fund the plans. Johnson summarized the need for the bill by saying that the Legislature approved the airport expansion in 1996 without taking responsibility for mitigation. He said the nearby communities appreciate sharing the positive economic effects of the airport but can not afford to bear the negative impact of its expansion alone.

To provide a state share of funding, the bill creates a mitigation fund under the Department of Trade and Economic Development. The bill specifies that a base amount of \$4 million be allocated each biennium from now through 2009. To that base, the bill adds incremental sales tax revenue created by increased sales at the expanded airport. The bill establishes the incremental funding as the amount by which airport sales taxes exceed \$12 million and is added to the mitigation fund through the year 2026. At

the end of fiscal year 2030, any unused portion of the mitigation fund is to be returned to the general fund.

The bill specifies the purposes for which the mitigation funds may be used, which include paying a city's mitigation plan costs and reimbursing a school district for pupil losses. The bill allows for local mitigation funding through the issuing of bonds and specifies that the bonds may be secured by abatements, dollars from the state mitigation fund, or by other means. The measure authorizes the Metropolitan Council to support the cities' mitigation bonds with the council's taxing power.

Sen. Ann Rest (DFL-New Hope) asked for clarification of the bill's definition of "airport sales" in calculating sales tax going into the mitigation fund. Johnson said that, because of federal revenue diversion rules for airports, the bill does not include sales tax from business purchases. Sen. Martha Robertson (R-Minnetonka) asked if the bill specifies that property owners need to have lived there before the expansion to receive mitigation support. Johnson said the bill includes no such requirement. Sen. LeRoy Stumpf (DFL-Thief River Falls) asked what the airline companies are doing to help, and Johnson said he is disappointed by their resistance to mitigation efforts.

Sen. Dan Stevens (R-Mora) offered an amendment to make the base funding begin in FY 02 instead of the current year. Johnson considered the amendment friendly and it was approved. Sen. Don Betzold (DFL-Fridley) successfully offered an amendment deleting the bill's legislative finding narrative. Sen. Claire Robling (R-Prior Lake) said isn't right that her Metro Area constituents potentially pay property taxes to mitigate student losses elsewhere, particularly since "the students they are losing are probably ending up in our districts." Johnson said that the process is a reasonable accommodation given that Robling's constituents likely appreciate the proximity of the airport.

The committee approved the bill as amended and re-referred it to the Jobs, Housing, and Community Development Committee.

The committee also discussed S.F. 799, authored by Sen. Dave Kleis (R-St. Cloud). The bill recommends an appropriation to the St. Cloud area planning organization for advanced study of area roadway needs raised by regional land use

planning. Stevens highlighted the extensive interregional commercial traffic that has to flow through the area on highway 23, the only route in the state that travels from southwest to northeast.

Sen. Martha Robertson (R-Minnetonka) and Sen. Myron Orfield (DFL-Mpls.) said the language of the bill presupposes that roadways are the solution to the area's transportation needs. Robertson said that, without attention to the broader issues of mass transit in the area, the region will be doomed to repeat the transportation problems of the Twin Cities as it grows. Orfield said the bill can be construed as little more than implicit sanctioning of the building of a ring road, which may contribute to sprawl and make transit problems worse. An amendment that includes transit in the studies supported by the funding was adopted. The amendment was adopted. The bill was approved as amended and sent to the Finance Committee.

Chief Author Sheila Kiscaden (R-Rochester) presented S.F. 256, a bill that grants statutory recognition to the Council of Health Boards. She said the language of the bill corresponds with the way the council already functions. The bill was approved and sent to the Rules and Administration Committee.

S.F. 860, authored by Rest, directs the Metropolitan Council to invite adjoining counties to appoint non-voting affiliate members to the council. The bill includes all counties, including counties in Wisconsin, that are adjacent to any county currently comprising the council. Sen. Mady Reiter (R-Shoreview) asked if anything prevents the counties from becoming voting members and Rest said it would require another change in the law for them to do so. Orfield said the bill does not require counties to take part but is intended simply as a way to let them in on discussions that have an impact on a wider region. The bill was approved and sent to the floor.

Betzold, chief author, presented S.F. 937, which allows for the possibility of, but does not explicitly create, a general fund appropriation for hearings by administrative law judges. Bruce Johnson of the Office of Administrative Hearings said the current practice of charging all costs to the agencies is getting more expensive for agencies and can create the impression of impropriety. The bill was

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approved and re-referred to the Finance Committee.

## State Government, Economic Development and the Judiciary Budget Division

### Admin budget hearing continues

The State Government, Economic Development and the Judiciary Budget Division met Thurs., Mar. 1, to continue hearing testimony from the Department of Administration. Representatives of the department's Intertechnologies Group (InterTech) and Operations Management Bureau (OMB) presented budget requests.

Jack Yarborough said InterTech provides voice, video, data, and computer services for over 100 state agencies as well as for cities, counties, and MnSCU campuses. He said an independent review by the Gartner Group places the agency in the top 10 percent for overall efficiency of operations. The total agency budget of approximately \$200 million includes a general fund appropriation of less than \$2 million since fees and service rates generate the vast majority of the agency's funding. Yarborough said the agency's 9-1-1 services are subsidized by fees of 27 cents a month on all phone bills in Minnesota. He said that, due in part to the increasing costs of providing wireless 9-1-1 service, the fee is being raised to 29 cents a month in FY 02.

Sen. Martha Robertson (R-Minnetonka) asked about the funding the agency was given to implement the directory services portion of the state's North Star Internet portal. Yarborough said the original appropriation was intended to last through the FY 02-03 biennium. He said the work and the budget is on target so far.

Kent Allin presented the budget for OMB and its various divisions. The Risk Management Division, he said, does not receive a general fund appropriation but covers its biennial budget of \$15.807 million through premiums it charges state agencies for insurance-related services. He said the Travel Management Division, which also uses no general fund dollars, has shown significant leadership in the promotion of alternative fuel vehicles.

Allin said the budget request for the Materials Management Division, which

offers procurement, purchasing, and contract services for the state, is \$6.16 million. Allin highlighted a \$212,000 decrease in the division's base budget through the elimination or reassignment of staff positions. His presentation also included a demonstration of the elaborate online ordering system developed by the division's central store.

Next, Allin presented a budget reduction of \$88,000 in the Communications Media Division (CMD), which will be covered through agency subscriptions to the printed version of the State Register. He said the total CMD budget request is \$1.211 million and he highlighted an award-winning book the division published in collaboration with the Minnesota Department of Department of Natural Resources. Chair Richard Cohen (DFL-St. Paul) asked how collaborative printing projects with other agencies are funded. Mary Mikes of the state book store said that the agency usually covers the editorial costs and CMD covers the printing costs. Cohen said it looks as though non-essential publishing projects are losing money and questioned the wisdom of allowing agencies to request special projects without covering the cost.

The final area covered in the OMB budget is the Minnesota Office of Citizenship and Volunteer Service. The office requests base funding of \$684,000 for the biennium to provide technical assistance, print and electronic resources, and training for volunteer organizations. Allin said that 66 percent of all Minnesotans do some kind of volunteer work, well above the national average of 56 percent.

### Archaeologist's funding cut debated

The Department of Administration completed its third day of budget presentations before the State Government, Economic Development and the Judiciary Budget Division Tues., Mar 6. Representatives of the department's Facilities Management Bureau (FMB) and Management Services Bureau (MSB) were present to give testimony.

Assistant Commissioner Kathy Ouska highlighted FMB's recent and current projects and presented a budget request that includes a general fund appropriation of \$23.618 million for the biennium. She said the Real Estate Management division, with a budget of \$820,000, manages over

1,000 leases for 75 different state agencies. Chair Richard Cohen (DFL-St. Paul) asked what percentage of state office space is leased and Ouska said the lease portion is about two thirds. She said increasing the amount that is owned can save money over the long run. Sen. Cal Larson (R-Fergus Falls) asked about the state's ownership of Capitol Square and Ouska said it is currently generating parking revenue and will likely be home to a new state building eventually.

In the Plant Management Division's budget, Ouska highlighted a reduction of \$46,000 for the biennium achieved through the elimination of one aspect of its recycling program. Ouska said the agencies will be able to absorb the effect of the change. Ouska presented a total budget of \$10.684 million for the Building Codes and Standards Division.

Ouska presented two changes in the budget of the Building Construction Division. The first is a decrease of \$214,000 because of the elimination of the position of principal electrical engineer. The other is a request for a total of \$200,000 for FY 01 and FY 02 to cover the costs of litigating a lawsuit involving the Luverne Veterans Home.

The final area addressed by Ouska is the in-lieu-of-rent appropriation made to FMB for use of Capitol offices and ceremonial spaces, other state office buildings, and the Governor's Residence. Ouska said a one-time appropriation of \$1.268 million for a shortfall in FY 01 needs to be added to the base to cover ongoing costs. In addition, she said, the department is requesting \$23,000 a year to assume more responsibility for oversight of the governor's residence.

Kirsten Cecil presented the MSB budget request and highlighted a number of reductions for the bureau. She said MSB is recommending total reductions of \$1.246 million through changes in the commissioner's office, the Information Policy Analysis Division, the "System of Technology to Achieve Results" (STAR) Program, and the Office of the State Archaeologist.

The decrease of \$50,000 a year for the commissioner's office, Cecil said, is for a staff reduction. She said the policy analysis decrease of \$400,000 involves some risk, since it reflects a significant reduction in training services offered by the division. She said the new availability of electronic resources will help make

up for some of the decrease in training. The eventual elimination of \$600,000 in STAR funding, Cecil said, corresponds with the elimination of federal funding for the program. She added that the department is working to help the program transition to a not-for-profit corporation.

Cecil said the department also plans to make the Office of the State Archaeologist self supporting by changing it to a fee-for-service operation. The planned elimination of the office's general fund appropriation by FY 03 was questioned by a number of people giving testimony. Carol Lovro from the Association of Minnesota Counties said the plan amounts to an unfunded mandate because counties would have to pay for required archaeological surveys. Dr. Clark Dobbs, an archaeologist, said the work of the state archeologist provides a vital service and protects important state interests. He added that the change adversely affects the stability, responsiveness, and professional standard of the office. Gerald White, a tribal historic preservation officer for the Leech Lake band of Ojibwe, said that charging a fee for the state archeologist jeopardizes sacred tribal lands as people and companies attempt to avoid having surveys done altogether. "I can assure you that if the funding changes to a fee-for-service basis, disturbance of burial sites will occur unchecked throughout the state," he said.

Robertson said the department is not questioning the value of having a state archaeologist. She said the real issue is the funding source, adding that it is worth considering contributions that private companies or even Indian gaming revenue could make to fund the office. Sen. Jim Vickerman (DFL-Tracy) disagreed, saying that changing the office to a "fee-for-service" arrangement is akin to creating a new tax.

Cecil presented one change item for MSB, requesting funding of \$150,000 to the Management Analysis Division to support transition expenses for the governor's office. She said the money will only be used if a different governor is elected in the 2002 election.

One change was discussed in the MSB's capacity as fiscal agent for a variety of state funded activities. In the budgeting process, Cohen said, the pass-through for the Children's Museum in St. Paul had been shifted to the Department of Children, Families, and Learning. Carleen

Rhodes from the museum said she concurs with the move. Cecil said the base budget request remains unchanged for other MSB divisions, including Financial Management and Reporting, Human Resources, and the Governor's Council on Developmental Disabilities.

## Workforce funding discussed

Budget hearings began for the Department of Trade and Economic Development (DTED) at the Weds., Mar. 7, meeting of the State Government, Economic Development and the Judiciary Budget Division. Representatives of the department discussed workforce development, business and community development, and international trade.

The division's attention focused on the budget of the Workforce Development Division. Senators questioned Director Roger Hughes extensively regarding the plan to suspend the dislocated workers tax for a year and to completely eliminate state funding for dislocated workers. The funding was transferred from the Department of Economic Security (DES) in 2000 and now is being cut completely by DTED.

Hughes said \$8 million a year in federal funds will remain as a resource for dislocated workers. Sen. David Johnson (DFL-Bloomington) said that three times that amount in state money will have been spent in FY 01. He said cutting the state funding amounts to "eliminating three fourths of the available dislocated worker money at a time when we have signs of stagnation in the economy and a number of mass layoffs in the state." Acting Commissioner Gary Fields said that workforce development spending is being spent in other areas such as higher education and job training.

Johnson also said that, unless new money is being added, giving more money to programs for workers who already have jobs means giving less money to workers being laid off or moving from welfare to work. Fields said more money is invested by the department as a whole, including an amount from the general fund. Johnson said that the current dislocated worker funding is tied to the job market by way of the employer-paid tax. He said he is concerned about a policy change that uses general fund money instead and diminishes the existing tie between the dislocated worker taxes and dislocated worker funding.

Regarding the department's recommendation to combine the Job Skills Partnership and the Pathways program, Johnson asked if the Partnership's board had been involved in the decision. Fields said all decisions were made by the administration.

Sen. Martha Robertson (R-Minnetonka) asked about the loss of revenue from the one-year suspension of the dislocated worker tax. She said it is not clear how the decreased revenue works itself out in the department's budget. Sen. Ellen Anderson (DFL-St. Paul) agreed, saying the department does not make it clear where the money will be spent that used to go to the dislocated worker program. She also said that there is a balance in the workforce development fund left from DES but that she didn't see where that money shows up in DTED's budget.

Hughes, with help from a representative of the Department of Finance, attempted to explain the differences the governor's plan has for the money going into and out of the workforce development fund. He said some money goes to the Job Skills Partnership, apprenticeship programs, state colleges, and elsewhere. Fields suggested making a broader presentation, showing a bigger picture of all the inter-departmental plans to help incumbent and dislocated workers alike. "The commitment is there," he said, "it's not showing up in the usual ways."

Anderson said a "smaller picture" will help too, showing exactly where the dislocated worker money is going. Robertson said the department should be clear about why the changes are being made, which parts of the dislocated worker program were not working, and what new things need to be done. Fields assured the division he will provide the requested clarification.

Sen. Richard Cohen (DFL-St. Paul), chair of the division, questioned Fields about other items not funded in the department's budget. Cohen pointed to several pass-throughs for non-profits that have been discontinued and asked what basis was used for the decision. Fields said the evaluation of the organizations was generally positive, but that the funding granted to them in the last biennium was a one-time appropriation.

The budgets of other divisions of DTED were presented as well. Fields discussed several aspects of the

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department's Business and Community Development Division. He highlighted a \$10 million initiative to foster a link between the University of Minnesota's biomedical research and business ventures. Sen. James Metzen (DFL-South St. Paul) asked if the funding shouldn't be split with higher education but Fields said the initiative, though based on academic research, needs to be treated as an independent business development activity.

Fields also highlighted funding of \$155,000 a year for the Metropolitan Economic Development Association (MEDA). Yvonne Cheung Ho, president and CEO of MEDA, said the program serves minority businesses with over 2,000 employees and an annual economic impact of over \$1 billion. Fields also said the governor's plan gives \$3 million to the Metropolitan Council for the Agricultural Land Preservation Program and the Livable Communities Program.

Alan Peterson from the department discussed the budget of the Minnesota Trade Office. He said the office's state appropriation of \$5.08 million is augmented with income from the operation of programs at the World Trade Center in St. Paul. He listed the target markets for developing the state's international trade: Canada, Mexico, Japan, Greater China, other Southeast Asian countries, the United Kingdom, France, and Germany.

## Income and Sales Tax Budget Division

### Requests for exemptions heard

The Income and Sales Tax Budget Division examined nine bills dealing with a myriad of sales taxes exemptions Thurs., Mar. 1. Sen. Don Betzold (DFL-Fridley) chaired the meeting.

All of the bills were laid over for further discussion when the committee considers the omnibus tax bill.

Sen. Leo Foley (DFL-Anoka) presented S.F. 589, which exempts natural gas and electricity for residential use from sales tax all year round. Under current law, natural gas and electricity are taxed from May to October, whereas fuel oil, coal, wood, steam, hot water, propane gas and L.P gas sold to residential customers are exempt year round.

Sen. Claire Robling (R-Prior Lake) brought two bills to the committee. The first, S.F. 268, creates a sales tax exemption

for smoking cessation devices approved by the Federal Drug Administration, such as nicotine patches and nicotine gum. Robling said the bill provides a 6.5 percent decrease in the price it costs to stop smoking. "When we received the substantial settlement from the tobacco suit, I felt that some of the money should be spent to counter smoking and some of it should be used for tax cuts," she said. "The bill does both."

The second bill sponsored by Robling, S.F. 870, exempts educational materials purchased by licensed child care facilities. Robling said the bill is a tax equalization measure, because schools and non-profit organizations are not charged tax for similar materials.

She also said the bill provides an additional incentive for child care operations to be licensed. Betzold said the bill did not clearly define educational materials. An amendment was adopted that excluded capital equipment and office supplies from the exemption. Betzold suggested that the definition of education materials be further clarified before the bill is considered for the omnibus tax legislation.

Sen. David Tomassoni (DFL-Chisholm) and Sen. Chuck Fowler (DFL-Fairmont) put forward bills, S.F. 942 and S.F.1050 respectively, that exempt admission to Minnesota State High School League (MSHSL) competitions. Fowler said that in 1982 the Legislature created an exemption for tickets to local competitions, but did not include statewide tournaments.

Tom Mahoney, MSHSL executive secretary, said several league activities do not make a profit. He said both this year's one-act play tournament and a recent gymnastics competition brought in no revenue. He said the exemption allows the cost of admission to competitions to remain affordable.

Sen. Steve Kelley (DFL-Hopkins) brought forth S.F. 462, which exempts milk, milk products, fruit and fruit products, vegetables, granola bars, breakfast bars, yogurt, pudding and drinks that are more than 15 percent fruit juice from sales tax when sold from vending machines. Currently, all items sold in vending machines are subject to tax. Kelley said, "If the products are sold in convenience stores they are not taxed, but they are if sold from vending machines. The bill gives equal footing to an item whether it is sold

through vending machines, convenience or grocery stores."

Sen. Steve Murphy (DFL-Red Wing) carried two bills. S.F. 1024 makes vitamins and minerals free of sales tax. "A lot of studies and research done," he said, "show people who have balanced diets live healthier more full lives." S.F. 69 makes a sales tax exemption for materials used for correctional facilities. He asked, "Why are we taxing government entities so they can turn around and tax counties?" He said the tax was a hidden property tax, because in order to pay for the sales tax, local governments increase their property taxes.

Murphy also presented S.F. 1100, of which he is a co-author. The bill, the chief author of which is Dean Johnson (DFL-Willmar), exempts purchases for materials and equipment used in constructing a biomass electrical generating facility in Benson. The facility, called the Fibrominn plant, will convert turkey litter to electricity. Murphy said he had visited a similar plant in England. "From a practice standpoint and from an operational standpoint, it works," he said.

Carl Strickler, vice-president of Fibrowatt USA, said the plant will produce 50 megawatts of electricity. He said FibroMinn will provide 50 megawatts of electricity to Xcel Energy, which is required by the 1994 Prairie Island law to purchase 125 megawatts of biomass energy. He also said that Fibrominn's process reduces greenhouse gas emissions by an amount equivalent to taking 500,000 cars off Minnesota's roads.

Rob Wolfington, city manager of Benson, said 30 people will be hired full-time by the plant, 175 people will be employed to support it and 300 construction workers will be required to build it.

Brian Elliot, representing the Clean Water Action Alliance, said the organization opposed the bill. He said the legislation only provides incentives to a very specific project and does not extend the benefits to other types of biomass fuel businesses. He emphasized the \$850,000 revenue loss incurred by the exemption.

Strickler said, "The project will pay corporate income taxes. Employees will pay income tax. These taxes will more than make up for the tax cut."

Murphy said, "I can't understand why anyone would oppose the biomass plant when there will be a greater need for biomass energy in the future." He said in five years Minnesota will be 5,060 megawatts short of its need for energy.



## Property Tax Budget Division

### Class rates bills heard

The Property Tax Budget Division met Tues., Mar. 6, to hear six bills proposing class rate or valuation changes in the state's property tax laws. Four of the bills were authored by Sen. Keith Langseth (DFL-Glyndon).

Langseth's first bill, S.F. 99, lowers the class rates for two tiers of homestead agricultural land and all non-homestead agricultural land. The proposal also raises the general education levy credit rate to 75 percent on all agricultural land and gives a one-third credit for all other education levies. According to an analysis from the Department of Revenue, the proposal will cost the state, as lost revenue, \$50.8 million in FY 03 and \$52.9 million each year in FY 04 and FY 05. To compensate for some of the lost revenue to local governments, homestead and agricultural credit aid (HACA) payments are adjusted under the proposal.

Al Christopherson, president of the Minnesota Farm Bureau Federation, said that his organization supports the bill. "Too often, local operating levies and school debt levies are passed with farmers paying a disproportionate share of the costs," he said. Sen. Edward Oliver (R-Deephaven) asked Christopherson if he had any numbers for how disproportionate a share of the burden farmers carry. Christopherson said he did not have any such numbers, but used the example of what a farmer with a \$30,000 net annual income pays in property taxes compared to a city-dweller with a non-agricultural job earning \$30,000 pays in property taxes. Oliver noted that the property tax is not income-based, but value-based. "However, you don't pay taxes with land, you pay them with income," Langseth replied. Sen. Kenric Scheevel (R-Preston) said agricultural land often returns only 4 percent as an investment. "Frankly, you're better off taking out a CD with that money," he said. In many cases, he added, 60 percent of a school district's net tax capacity is agricultural land, but only 20 percent of the voting populace owns the farmland.

S.F. 80, Langseth's second bill, reduces the class rates on cabin property to the same class rates that apply to homestead property. The proposal costs the state \$9.2 million in revenue during FY 03 and \$9.4

million per year in FY 04 and FY 05. Langseth's proposal alters HACA payments to compensate for some of the local revenue losses. Langseth noted that while cabin owners are subject to the same class rates on their second homes as on their primary residences, they still end up paying more in property taxes because the cabin property does not receive an educational credit and has a higher valuation because it is lakefront property.

S.F. 81, the third of Langseth's proposals, lowers the class rates on apartments and lower tier commercial-industrial property. As with his other bills, Langseth proposes adjusting HACA payments to compensate local governments for lost revenue. He said he considers it strange that rental property is taxed at a higher rate than the most expensive single-family homes. The renter is the person who pays the tax in the end, Langseth said, not the property owner. Sen. Don Samuelson (DFL-Brainerd), chair of the division, asked Langseth how the money no longer paid in taxes would get back to the renter. Langseth replied that rents will not decrease immediately, but they will be lower in the long-term. He added that lowering the property tax class rate on apartments encourages developers to build more rental units. Sen. Sandra Pappas (DFL-St. Paul) concurred, adding that lower tax payments also encourage owners to invest more in maintaining the quality of their buildings.

Langseth's final bill, S.F. 82, raises the circuit breaker between class-rate market-value tiers of homestead and single-unit rental property from \$76,000 to \$100,000. The bill also adjusts HACA payments to local units of government to compensate for lost revenue and will cost the state \$85.3 million in FY 03 and \$86.3 million per year in FY 04 and FY 05.

S.F. 790, authored by Sen. John Hottinger (DFL-Mankato), reduces the class rate on manufactured home parks from 1.65 percent to 1.2 percent and adjusts HACA payments to compensate local governments for lost revenue. The proposal costs the state over \$1.4 million per year in lost revenue for the next three fiscal years. Hottinger stressed that the Legislature needs to provide incentives for developers to build homes, especially affordable homes, in Minnesota. Mark Brunner of the Minnesota Manufactured Housing Association presented a model home to the division. Having three

bedrooms and two bathrooms, he said, it costs around \$50,000. Placed on a private lot, he said, it is taxed at the homestead class rate of 1 percent. In a manufactured home community, Brunner noted, it is subject to the higher tax rate. Compressing the tax rates together relieves some burdens from manufactured home park developers, he said.

Sen. David Knutson (R-Burnsville) carried S.F. 298. The bill reduces the class rate on apartment properties to 2 percent and increases HACA payments to compensate for lost local revenue. The bill costs the state approximately \$30 million per year for the next three fiscal years. Knutson said the bill is a possible solution to the affordable housing issue currently facing the state. The net result, he said, is lower rents over time and an increase in the supply of apartments. Scheevel said he was skeptical of the impacts of the bill on affordable housing. Pappas said affordable housing is a macro issue. Truly low-income housing, she said, will always require some public subsidy. However, the bill might open up more middle-income housing, Pappas said.

All six bills were laid over for consideration as part of future omnibus tax legislation.

## Telecommunications, Energy and Utilities

### Energy topics reviewed

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Mar. 1, to discuss elements of the energy bills.

Deputy Commissioner of Commerce Linda Taylor discussed the continued development of renewable energy sources in Minnesota, including wind, solar, biomass and hydrogen fuel cells. "The goal is to move renewables into the mainstream and to reach a 10 percent renewable energy capacity by 2010," she said. To maximize efficiencies and to address the inconsistent nature of wind energy, wind units should be distributed across the state, rather than relying on a single optimal location, she said. Wind power requires back-up by another source such as natural gas, she said. In regard to solar applications, Taylor said they are still expensive but added that costs would decrease over time. Biomass energy sources

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are available now for utilization of direct burn, anaerobic digestion or methane, she said. Taylor said there are projects underway that involve the burning of whole waste trees and other energy projects that recapture steam from commercial heating sources to recycle energy. She also said that hydrogen fuel cells are being developed and would probably be a viable option for the future. Geothermal technology is available but still quite expensive to install, she said.

Taylor told members that the department's bill, S.F. 722, does not specify pricing or set percentages of sources to implement because the department focused on analysis for now. The department cautioned against overpricing renewables because a sustainable approach is preferable, she said.

Bill Grant, Izaak Walton League, addressed the Power Campaign energy proposal, S.F. 443. Grant said the state is just scratching the surface of the renewable energy potential and that six other states have already adopted portfolio requirements for renewables. He said that biomass interests had approached his coalition about development possibilities.

Several members commented on options. Sen. Mark Ourada (R-Buffalo) said that the presentations did not cover the entire picture and that transmission costs should also be reviewed. Sen. Steve Kelley (DFL-Hopkins) said he would like to see the development of a storable resource such as hydrogen gleaned from wind power to end Minnesota's dependency on out-of-state sources such as coal and gas. Grant replied that the possibility of gaining and storing hydrogen from wind had the interest of others, as well. Sen. Arlene Lesewski (R-Marshall) said, "I need to be convinced that wind [power] will work before putting all our eggs into one basket—Minnesota is not the same as California, Texas or Denmark." Taylor said, "We're working on a multi-faceted approach and there are other locations comparable to Buffalo Ridge in terms of higher altitudes and ample winds."

Great River Energy spokesman Rick Lancaster said there is a green pricing program in Southwestern Minnesota that burns waste wood. "It's economical to do and we have 29 co-ops in place," he said. He also said the reason wind power is cost competitive is because of incentives provided by the state. Lancaster said that since his group was consumer owned they

would meet the needs of consumers. "We prefer incentives to mandates and we will respond to economic signals," he said.

Excel Energy Spokesperson Judy Pofert said "The diversity of supply is a good hedge against shortfalls and a vibrant competitive market is the best model for encouraging new supply and creative solutions." She said she agreed with the intentions presented in the various proposals but she did not necessarily agree with the approaches.

## Energy bill discussed

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul) met Tues., Mar. 6, to hear testimony regarding energy renewables, emissions, consumer protection and conservation.

Moorhead Public Service (MPS) General Manager Bill Schwandt was the first witness to testify on the topic of renewables. He discussed MPS's wind energy project, which represents one percent of its total energy power capacity. He said it is unnecessary to mandate a portfolio standard because green options will occur naturally as the public demands it. There are capacity problems with wind power, he said. The cost of the single, 263-foot high, 750-kilowatt wind turbine operating in Moorhead was more than \$700,000, Schwandt said.

Bill Glahn, vice president of Dahlen Berg & Co., said that the business customers he represents have been involved in promoting renewables for a long time. They were concerned, he said, about the high costs and mandates that specify technologies and capacities. Rate increases would be significant due to an estimated investment by utilities of approximately \$30 million spent annually to meet the requirements of proposed mandates, he said. Glahn said he recommended green pricing, which allows consumers to choose whether or not they desire to pay premium prices for renewable sources of energy. He said he encourages the Public Utilities Commission (PUC) to continue using the mechanisms already in place for developing renewable capacities.

Representing the Minnesota Chamber of Commerce, Bill Blazer said he sees competition as the best way to encourage renewable development. He said he endorses the Texas plan that allows customers to choose the form of energy generation they desire.

Minnesota Power (MP) Vice President Dave Jeronimus addressed emissions issues. He told members that U.S. aggregate emissions have decreased 31 percent since 1970 and that Minnesota is in compliance with national air quality standards.

Jeronimus said Minnesota Power's portfolio includes 90 percent coal, 7 percent hydro and 3 percent biomass production, and the company operates with a 65 percent compliance margin. (Emissions are 65 percent below the allowable.)

According to Jeronimus, MP has invested \$40 million in renewables technology. He said that in terms of renewables, biomass, such as waste wood burning, is the best available option in Northern Minnesota. Wind resources in Northern Minnesota are limited to the North Shore but since the area is a migratory route, Southwestern Minnesota is a more appropriate wind power location, he said.

Sen. Ellen Anderson (DFL-St. Paul) asked, "What can the state do to encourage the further development of renewables?" Jeronimus said that providing tax incentives would be helpful.

Paula Maccabe spoke on behalf of the Sierra Club and said that 27 percent of Minnesota's coal-fired electric power megawatts meet no federal emissions or technology standards. According to Maccabe, none of Minnesota's coal-fired power plants meet today's New Source Review (federal regulators of coal plants) levels for either nitrogen oxide (NOx) or sulphur dioxide (SO2) and no unit meets the most recent New Source Performance Standards (the other federal regulator of coal plants) value for nitrogen oxide. She said that under the Clean Air Act, unless a boiler has been built or modified since the law took effect, it is grandfathered and new emissions standards and technology requirements don't apply. Her report indicated that an estimated 153 Minnesota deaths each year could be avoided by reducing coal plant emissions by 75 percent. She said that if health costs are taken into account, green pricing would rate more favorably.

## Transportation

### DM&E interim report heard

Members of the Transportation Committee, chaired by Sen. Randy Kelly (DFL-St. Paul) met Thurs., March 1, to consider three bills and hear two reports.

The Dakota, Minnesota and Eastern Railroad (DM&E) Working Group Interim Report was presented by Deborah Pile, planning director for Minnesota Planning. The work group was legislatively mandated in 2000 to document the effects of the proposed DM&E project on the state, she said. The project entails a railway line beginning in Winona and traveling west through Rochester, Mankato and Lake Benton, in Minnesota. The entire rail system continues westward through South Dakota and ends in Wyoming. The main purpose for the line is to transport coal for energy use, said Pile.

She said DM&E has federal authority to begin the construction and operation of a new rail line and facilities, pending the completion of a state-approved environmental impact study (EIS). DM&E wants to refurbish existing rail through the heart of downtown Rochester, as well as construct new rail, main line and rail connections west of the city, Pile said. However, she said many in Rochester, including Mayo Clinic and city representatives, want DM&E to construct a by-pass line around the city. At issue for Rochester, is the inconvenience of intersection blockage due to rail traffic, and the increased levels of noise and vibration, especially since the track is only one block from the nearest Mayo Clinic building, she said. Also at issue, said Pile, is coal dust blown from the trains, safety concerns and quality of life issues such as sleep deprivation caused from 24-hour noise.

Al Vogel, MNDOT's director of the Office of Freight, Railroads and Waterways, said, "It's tragic what this project has done to divide the Rochester community." However, he said, "There should be a recognition that all but three communities have signed agreements and are supportive of the project." Many communities and people need this project for commercial purposes, he said, and the line is especially important to the agricultural community. Vogel said DM&E will keep working toward a mutually-agreed upon solution with Rochester.

Testimony was given by John Apits, legal counsel for DM&E, who said, "This is a \$1.5 billion project—the biggest reconstruction of a rail project in a century." When completed, he said, it will help to reduce energy costs in an environment friendly way. He said the railroad now pays about \$500,000 in taxes per year, but when the trains begin running in three to

four years, the railroad will be paying \$8.7 million in taxes.

"This will move forward," said Sen. Dean Johnson (DFL-Willmar), "but how do we best tailor it so that we are addressing Rochester's concerns?" Vogel said the impact of 37 trains running through Rochester needs to be studied. That is the maximum number anticipated per day, he said, but fewer would be going through on a regular basis. Johnson said the city could

request a whistle ban and speed limit reduction. Which, he said, would not only lower the noise level but reduce the amount of coal dust.

Vogel said Winona has similar concerns to Rochester, and is also uneasy about the inadequacy of the EIS. Kelly said, "Is there a way to revisit the EIS for Winona? Pile said the Federal Transportation Board makes the decision on how to proceed but Winona can petition to



JoAnn Boorman of Glenwood poses outside the Capitol rotunda with a shirt she made as a memorial to a victim of domestic violence from her community. Boorman and others gathered at the Capitol on Thurs., Mar. 1, for a ceremony honoring Minnesota victims of domestic violence.

Photo by Shelley Hawes

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proceed with a new study. Pile said the work group's full report will be available by the end of the month.

Mark Hosier, president, Minnesota Public Transit Association addressed the need for transit in Greater Minnesota and introduced Marty Sapletal, a representative from the Crow Wing County transportation task force. She said, "In order to grow economic development in the county we need to address transportation needs." At issue, she said, is independent living for seniors, employer's need for employees and inequity of service in the area. Sapletal said that citizens find it difficult to understand why Aiken and not Crosby-Ironton, have transportation to Brainerd. "We have a commitment for local transportation dollars and the need for state dollars is very great," she said. Linda Elfstrand, a representative from Tri-County Action Programs in Cold Spring said, Rockville, Richmond and Cold Spring need transportation for people to get to work. Although the governor proposes \$3.1 million for Greater Minnesota transportation, she said, it is not enough to expand, much less maintain transit. She said, "Gold-N-Plump Poultry Company is expanding from a 3-day week to a 5-day week and we need a flexible transportation program that meets growing needs with a dedicated fund."

S.F. 480, a bill repealing an obsolete trackless trolley statute was offered by Johnson. He said, "We can eliminate a couple of pages from Minnesota statutes by eliminating this law." The bill was approved and sent to the floor

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 332, a measure appropriating \$1 million for highway noise barriers through state bonds. The grants, he said, will be dispensed by the state, with the state providing no more than two-thirds funding. He said, "I have two highways that have grown substantially – Highway 169 and 100. This is an attempt to supplement the noise barrier prioritization process and stretch state funds." Kelley said, "The problem is not with new road construction but with noise problems on existing roads." New construction, he said, includes noise barriers as part of the project funding.

Tim Worke, MNDOT director of government relations, said, "There are over 800 sites and very few dollars. Currently, he said, the program has \$1.5 million to \$3 million for road barriers per year, which

allows for construction of two to five barriers. The bill was recommended for passage and re-referred to the Finance Committee.

Sen. Michelle Fischbach (R-Paynesville), author of S.F. 63, said the bill designates a bridge in Stearns County as "Old St. Anne's Pass." She said the community will pay for signage and installation. S.F. 63 was okayed and sent to the floor.

Matt Shands, director of the Transportation Policy Institute, presented a report entitled, Public Transportation in Minnesota. He highlighted several report topics, including economic benefits of public transit, public transit funding, unmet transit needs and funding scenarios.

## Committee hears 5 bills

The Transportation Committee met Tues., Mar. 6, to hear five bills. Sen. Randy Kelly (DFL-St. Paul) chaired.

S.F. 551 was presented by Sen. Steve Dille (R-Dassel), author of the bill. "The bill is a memorial resolution to the President of the United States and Congress to support new construction of the Sault Ste. Marie Lock on the Great Lakes and to fund modernization of the upper Mississippi River system," he said. Additionally, the bill requests support for funding of the port development system, said Dille. "The purpose of the resolution, he said, is to show Minnesota's resolve for improving the Great Lakes port assistance program and the upper Mississippi waterway. "Seven locks probably need upgrading so that 1,200 foot tows can get through them," he said.

Sen. Sandra Pappas (DFL-St. Paul) said "modernize" could mean expand and the cost of expansion could be extremely expensive. She requested the bill be amended to delete the word "modernize" and substitute the words "maintain and rehabilitate." The amendment was adopted.

Bill Grant, the director of the Midwest Office of the Izaak Walton League, said, "Barges are the most environmentally sound way to move products, but we prefer rail." He cited river degradation and backwater breeding area degradation as reasons for the League's preference. He said, "There are always environmental trade-offs but it is too early to say Minnesota should go on record supporting the bill."

Kelly said he doesn't understand the league's reasoning when barges are better

for noise and air pollution. Sen. Steve Murphy (DFL-Red Wing), said, "The State of Minnesota has always supported waterway transportation and it is a way of keeping transportation costs low for people moving products, especially grain." He said people with pleasure boats are damaging the river, not barges. S.F. 551 was approved as amended and re-referred to the Environment and Natural Resources Committee.

Sen. Charles Wiger (DFL-North St. Paul) authored S.F. 56, a bill imposing a misdemeanor penalty for trespassing on railroad tracks. An amendment was adopted that allows for prosecution of all trespassers and not just intentional trespassers. The bill was approved as amended with a vote of 10 to 7 and re-referred to the Crime Prevention Committee.

Murphy, author of S.F. 653, said the bill funds the state trooper training program on an on-going basis by dedicating a portion of State Patrol fines for training. The bill was amended to indicate revised percentages for fee disbursements. Col. Anne Beers, Minnesota State Highway Patrol, said the dedicated fund would cover on-going education costs of \$400.00 per officer per year, and future trooper training programs.

Sen. William Bellanger (R-Bloomington), said he is concerned an undesirable result of the bill's funding mechanism might be an encouragement of ticket writing. Murphy said officers are already writing enough tickets to fund trooper training programs. The bill was approved as amended and was re-referred to the Finance Committee.

Sen. Grace Schwab (R-Albert Lea) authored S.F. 930, a bill repealing obsolete transportation rules. The bill was approved and sent to the floor.

A bill increasing the filing fee for vehicle transactions was presented by Murphy. S.F. 829, he said, increases the motor vehicle registration renewal fee from \$3.50 to \$4.50. All other vehicle transaction fees are increased from \$3.50 to \$7.00, he said. Sherry Munyon, from the Minnesota Auto Dealers Association, proposed dealers offer new car buyer's the service of electronically processing vehicle transfer fees for \$2.50. She said the cost would go to equipment, software and processing time. Sen. James Metzen (DFL-South St. Paul) said registrar's fees have not kept up with inflation because fees

have not increased in eleven years. Pappas proposed an amendment indicating a \$1.00 fee increase for registration transactions at the registrar's offices and a \$2.50 fee at auto dealerships for electronically processing vehicle transfers. The amendment was adopted. S.F. 829 was approved as amended and re-referred to the Finance Committee.

## Transportation and Public Safety Budget Division

### .08 blood alcohol bill approved

S.F. 118, a bill lowering the blood alcohol level from .10 to .08 for driving and hunting while impaired laws was approved by the Transportation and Public Safety Budget Division Committee Thurs., Mar. 1. Sen. Dean Johnson (DFL-Willmar) chaired.

Sen. Leo Foley (DFL-Coon Rapids), author of the bill, said the federal government is offering a \$6 million incentive, to be distributed in \$3 million increments, in FY 02 and FY 03 to states who enact the .08 alcohol blood level law before August 1, 2001. Conversely, if the bill is not passed, said Foley, there will be a \$24 million penalty to the state. The federal government, he said, collects the penalty in FY 04, FY 05, FY 06 and FY 07 at a rate of \$6 million per year. Sen. Randy Kelly (DFL-St. Paul) asked if there is an opportunity for the Legislature to help direct the \$6 million incentive money.

Kathy Swanson from the Department of Public Safety (DPS) said the \$6 million incentive goes directly to the DPS. However, she said the department has to submit a plan to the Federal Highway Administration and the National Traffic Safety Administration regarding the planned allocation of funds. Kelly said the federal government is forcing states to enact the law by inflicting steep fines on non-compliant states. He suggested an amendment to S.F. 118 directing the commissioner of transportation to order the incentive money toward a public awareness campaign aimed at reducing the incidents of drunk driving. The amendment was approved.

Sen. Mark Ourada (R-Buffalo) said, "The federal government is forcing us to do this. It is a continued erosion of states rights." Sen. Satveer Chaudhary (DFL-Fridley) said he supports the bill. After passing a .08 blood alcohol bill in

California, he said, there were 90,000 fewer alcohol related arrests, which is a 40 percent decline.

Vanasek said it would cost the counties about \$1.2 to \$1.5 million per year to enforce the proposed law. Kelly said counties need to be held harmless by the bill and reimbursed for enforcement costs. The bill was approved as amended and referred to the Finance Committee.

Marie Ohman, executive director of the Private Detective and Protective Services Board gave a budget overview. The board is the licensing and control agency for state investigative and protective services, and is growing, she said. The private detective area though, she said, is growing at a three to one rate over the protective services area. She said the board concurs with the governor's budget recommendation of \$144,000 in FY 01 and \$148,000 in FY 02. The governor also agrees with the need to raise private detective fees, which haven't been raised since 1989, she said. Therefore, a change item that doubles new licenses and raises the application fee from \$15.00 to \$25.00 is suggested, said Ohman.

### Metro transit police update heard

The Transportation and Public Safety Budget Committee heard testimony from Ted Mondale, chair of the Metropolitan Council and other Metro Transit representatives, who responded to a Channel 4 Eye-Witness News Team special report on Metro transit system safety. Sen. Dean Johnson (DFL-Willmar) chaired the Tues., Mar. 6 meeting.

Johnson said there seems to be a difference of opinion between the news report and Metro Transit representatives regarding the safety of bus riders and drivers. He said Mondale was asked to come before the committee and respond to allegations made in the news report for clarification purposes. Sen. Dick Day (R-Owatonna) said, "The news report will cause bus ridership a problem and it needs to be addressed. We need to gain public respect back with a response to safety concerns."

The I-Team report claimed Metro Transit bus riders and drivers seem to suffer more serious assaults than anywhere in the country. Mondale said the news report was based on a survey that used over-reported numbers. He said if the department had reported only those assaults that fell within the parameters of the survey information

requested, the report would have said the Minnesota transit system is number one in terms of safety and had one assault for 73 million riders, instead of the 11 or 12 assaults on riders that was reported. Further, he said, "We have one of the safest systems for operators and live in one of the safest cities in the United States." He said the council is not happy with any assault occurrences, but assault rates have dropped. Mondale said Metro Transit is one of the first agencies in the country to install video surveillance cameras on buses and has also installed driver shields for bus driver's safety.

Joanie Schauer, Metro Transit police lieutenant said there are 10 full-time transit police officers, 4 staff administrators and 115 part-time officers on staff. She said qualifications for transit police are very high, because all transit police officers are required to have served in other police agencies for a minimum of 15 years. In addition, she said, a minimum of 2 years practical experience is required. Schauer said there are four transit patrol cars on the streets at all times and response time is approximately four to five minutes.

Johnson said the committee is not questioning the transit officer's caliber but placement of the officers. He said, "Wasn't the original intent of the transit police to have them on the bus?" Schauer said the agency doesn't have the resources for a police presence on buses. Stuart Rudi, a Metro Transit bus driver said, "I think the council is doing the best it can." However, he said, if the resources were available, drivers would prefer to have an officer on every bus.

Sen. Satveer Chaudhary (DFL-Fridley) said, "Sometimes a report gets sensationalized but it seems we could have a better use of resources. The need has arisen for mobility and a periodic saturation of bus lines by officers." Schauer said if the agency had more resources, sweeps could be done on buses and in bus shelters.

Bur Haar, Public Utilities Commission executive secretary, gave a budget overview of the department. He said the department is in the process of lease negotiations and is requesting a base increase of \$399,000 this biennium to cover salary and rent increases.

### Panel hears budget overviews

The Department of Labor and Industry and the Department of Commerce presented budget overviews to the

# Committee update

Transportation and Public Safety Budget Division Committee Weds., Mar. 7. Sen. Dean Johnson (DFL-Willmar) chaired.

Gretchen Maglich, commissioner of the Department of Labor and Industry, Deputy Commissioner Michael Houliston, and Roslyn Wade and Carolyn Ganz, both Assistant Commissioners presented the department's budget overview. Maglich said the department funding requests coincide with the governors proposed budget and one change item.

Houliston said the governor proposes a budget of \$3.567 million in FY 02 and \$3.661 million in FY 03 for the General Support Division. He said the agency will use the budget monies for initiatives pertaining to employment laws. Additionally, funds will be used to assure safe operations of equipment and systems by adopting regulations, he said. Licensing and inspections will also receive monies, he said.

Worker's Compensation is budgeted \$21.048 million in FY 02 and \$21.5 million in FY 03 in the governor's proposal, said Ganz. Promoting and ensuring safe and healthful working conditions and minimizing the impact of work-related injuries or illnesses through the administration of the worker's compensation laws will be addressed with the funds, said Ganz.

The General Support Division, under the governor's budget, is appropriated \$7.822 million in FY 02 and \$7.997 million in FY 03, said Wade. She said the division has four strategies that drive the general support program to serve agency staff and citizens. The division aims to improve internal process and capitalize on available information through research and technology, said Wade. Additionally, the division develops sound analysis and training in the law to support decision-making and centralizes services to reduce duplication of cost and effort.

Houliston said there is one change item in the area of case scheduling and management system support in the governor's budget. She said the governor is recommending the reallocation of \$238 million from the Office of Administrative Hearings and \$130 million from the Workers' Compensation Court of Appeals to the Department of Labor and Industry. The funds will provide systems support and front-end processing supervision for the workers' compensation case scheduling and management system, she said.

The Department of Commerce budget overview was presented by Commissioner James Bernstein. He said the governor's budget appropriates \$173.169 million in FY 02 and \$300.391 in FY 03 for the Commerce Department.

He said the governor's budget also calls for six change items in the Commerce Department. The governor recommends the Weights and Measures Division of the Department of Public Service (DPS) be transferred to the Department of Commerce, and that the DPS be abolished, he said. Bernstein also said the governor proposes a change to the Collection Agency's audit fee structure to allow for the recovery of costs it incurs as the result of auditing collection agencies. Another change item, he said, proposes the enactment of the department's telecommunications reform strategy. Additionally, the governor recommends a \$15 million per year from the Health Care Access Fund in FY 02 and FY 03 to support Minnesota's individual private health insurance market. Bernstein also said the governor proposes a comprehensive reform of health plan regulations by creating consistent regulation of all managed care plans.

## Floor Action

### Permanent rules approved

In a floor session Mon., Mar 5, the Senate debated a resolution laying out permanent rules for the body. The Senate also took up a number bills awaiting final passage on the Calendar.

The resolution spelling out the proposed rules, S.R. 71, was introduced by Sen. Roger D. Moe (DFL-Erskine), chair of the Rules and Administration Committee. Sen. John Hottinger (DFL-Mankato) presented an overview of the changes made to the rules, saying the resolution incorporate a three-year effort by Sen. Don Betzold (DFL-Fridley) to refine the language of the rules and to put them in a numerical order that more closely matches the actual sequence of Senate activity. He also gave an overview of the substantive changes to the rules.

Discussion of the resolution included a number of proposed amendments. Sen. Michele Bachmann (R-Stillwater) offered an amendment specifying that all issues before the Senate be given opportunity for testimony from outside parties on both sides of the issue. Hottinger said existing Senate practice is very open and the

language of the Bachmann amendment is inflexible and unwieldy. The amendment failed by a vote of 36 to 25. An amendment by Sen. Warren Limmer (R-Maple Grove) sought to codify more stringent adherence to the three-day rule for announcing hearings but was defeated by a vote of 37 to 23.

Limmer also offered an amendment restoring members' privilege of inviting one guest to the floor of the Senate for the swearing-in ceremony. Sen. Claire Robling (R-Prior Lake) and Sen. Mady Reiter (R-Shoreview) spoke in favor of the amendment. Moe and Hottinger said the intent of the new rule is to have a separate, informal swearing-in outside of the context of a formal meeting of the body. Moe said such a solution will satisfy widespread discontent with the current one-guest limit. Sen. Charles Berg (R-Chokio) agreed. The amendment was defeated.

Sen. Pat Pariseau (R-Farmington) offered an amendment requiring that the full Senate approve budget division targets set by the Finance Committee. Hottinger said the Finance Committee should retain the authority to approve the limits. The amendment failed by a vote of 38 to 26. Sen. Kenric Scheevel (R-Preston) offered an amendment allowing the minority party to name its own members to conference committees. Hottinger said appointees need to be chosen to represent the interests of the Senate as a whole. The amendment failed.

Sen. Thomas Neuville (R-Northfield) and Sen. Edward Oliver (R-Deephaven) both offered amendments granting each member the right to designate one of his or her bills as a "priority bill." The Oliver amendment guaranteed a committee hearing to all bills designated as such; his amendment was not adopted. The Neuville version also guaranteed a floor vote and gave committee chairs two priority bills each. His amendment failed by a vote of 36 to 28. Sen. Bob Lessard (IND-Int'l. Falls) offered an amendment requiring that each major party with at least one member in the Senate be represented on the Rules and Administration Committee. Hottinger said the amendment is unworkable. It was defeated by a vote of 35 to 22.

Hottinger, Betzold and Sen. Dave Kleis (R-St. Cloud) each successfully offered a technical amendment to the rules. The resolution passed as amended

and the permanent rules were adopted.

Taking up bills on the calendar, the Senate granted final passage to S.F. 229 by a vote of 61 to 0. Authored by Sen. Jane Ranum (DFL-Mpls), the bill requires notification when an expungement is requested for a criminal record. S.F. 647, which invokes the U.S. Congress to provide funding for special education, passed by a vote of 64 to 0. Sen. Ann Rest (DFL-New Hope) is the chief author. Sen. Jim Vickerman (DFL-Tracy) authored S.F. 266, which requires that aggregates be considered in the land use planning. The bill was given final passage by a vote of 62 to 0. Another bill authored by Vickerman, S.F. 110, passed by a vote of 65 to 0 and provides for the creation of a non-profit corporation to run the Prairie Expo.

S.F. 225 passed by a vote of 60 to 0. Authored by Sen. Dean Johnson (DFL-Willmar), the bill amends the use of restraints with civilly committed persons. A bill authored by Sen. Charles Wiger (DFL-North St. Paul), S.F. 520, designates August 7 as Combat Wounded Veterans Day. It received 62 ayes and no nays. S.F. 174, authored by Sen. Roger D. Moe (DFL-Erskine) and passed by a vote of 62 to 2, allows gross weight seasonal increases for the transportation of carrots.

Three bills affecting licensure were given final passage. S.F. 289, authored by Sen. Dallas Sams (DFL-Staples), passed by a vote of 63 to 0. The bill extends a temporary licensing status for alcohol and drug counselors. S.F. 417, authored by Sen. Arlene Lesewski (R-Marshall), prohibits a license denial based on expunged records. It passed by a vote of 64 to 0. S.F. 359, authored by Sen. Sheila Kiscaden (R-Rochester), was approved by the same margin to amend licensure requirements for chiropractors.

Several bills passed that grant new authority to cities and counties. S.F. 509, authored by Robling, passed by a vote of 62 to 0 and grants counties and cities the authority to use credit cards. S.F. 510 passed by a narrower margin of 45 to 19. Authored by Sen. Sandra Pappas (DFL-St. Paul), the bill lets counties make certain offices appointive. S.F. 741, authored by Sen. Myron Orfield (DFL-Mpls.) and passed by a count of 57 to 9, gives Hennepin County the authority to grant paid leave to certified emergency services volunteers. Cities, meanwhile, are granted by the passage of S.F. 9, the right to offer housing assistance as an incentive to

attract fire employees or paramedics. The bill was sponsored by Wiger and passed 64 to 0.

Bills of a technical or housekeeping nature were passed as well. S.F. 249, authored by Sen. Twyla Ring (DFL-North Branch), and S.F. 615, authored by Sen. Jane Krentz (DFL-May Township), both repeal a number of obsolete administrative rules. Ring's bill passed 60 to 0 and Krentz's bill passed 63 to 0. S.F. 456, carried by Sen. Linda Berglin (DFL-Mpls.) and passed 63 to 0, codifies an existing rule allowing access to respite care for certain waiver recipients. A bill by Betzold, S.F. 346, passed 64 to 0 and amends probate and trust law. S.F. 327 was granted final passage as authored by Lesewski. By a vote of 63 to 0, the bill repeals obsolete statutes pertaining to male animals wandering free in towns.

The Senate also granted final passage to bills already passed by the other body. H.F. 80, carried in the Senate by Sen. Debbie Johnson (DFL-R-Ham Lake), passed by a vote of 58 to 1. The bill authorizes the installation of lake level controls on Coon Lake.

A bill sponsored by Sen. Randy Kelly (DFL-St. Paul), H.F. 393, passed 57 to 0 and places employees of Ramsey County and the city of St. Paul on equal footing for vacant jobs. H.F. 57, carried in the Senate by Robling, expands the list of disqualifying offenses for people applying for a school bus driver's licenses. The bill passed 61 to 0.

In other business, Moe spoke on behalf of the Senate to express sympathy over the passing of former governor Harold Stassen. "The world lost a visionary leader," Moe said, "and Minnesota lost a favorite son."

### **Wakota Bridge funding okayed**

The Senate met Thurs., Mar. 8, and granted final passage to a bill providing funds to the city of Newport for the city's share of the cost associated with the Wakota Bridge. S.F. 183, sponsored by Sen. Leonard Price (DFL-Woodbury), provides an appropriation of \$7.3 million for right of way acquisition and construction on the project. Price said the city's budget could not accommodate the costs of the project and because the completed project benefits a number of communities, it was important to provide state assistance. The measure was granted final passage on a 62-0 roll call vote.

In other action, members adopted a resolution setting committee deadlines for the 2001 Legislative Session. The resolution specifies that Fri., Mar. 30, is the deadline for Senate committees to hear bills originating in the Senate and Weds., Apr. 11, is the deadline for Senate committees to hear bills originating in the other body. Further, the resolution specifies that the final deadline for budget bills is Weds., Apr. 25.

One bill was granted concurrence and repassage. S.F. 258, a resolution requesting a ban on the importation of certain steel products, was repassed on a 58-1 roll call vote. Sen. David Tomassoni (DFL-Chisholm), chief author of the measure, said the only change to the bill made by the other body was to correct references to federal law.

Several bills were granted final passage on the Consent Calendar. The Consent Calendar is comprised of non-controversial bills and allows for an expedited processing of such measures. S.F. 433, authored by Sen. Twyla Ring (DFL-North Branch), increases the amount for which a township may contract for health, social and recreational services from \$5,000 per year to \$10,000 per year. S.F. 773, carried by Sen. Satveer Chaudhary (DFL-Fridley), requires a study of electronic alcohol monitoring. S.F. 711, sponsored by Sen. Leo Foley (DFL-Coon Rapids), modifies the school trespass law to include prohibiting being on the roof of the school building.

S.F. 283, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), clarifies the prohibition of the commissioner of natural resources in establishing quotas for enforcement officer activity. S.F. 494, authored by Tomassoni, repeals special purchasing laws for St. Louis County. S.F. 274, sponsored by Sen. Linda Higgins (DFL-Mpls.), extends the expiration day of the Respiratory Care Practitioner Advisory Council and provides for the cancellation of athletic trainer registration for nonrenewal after two years. S.F. 960, sponsored by Tomassoni, authorizes the commissioner of the Iron Range Resources and Rehabilitation Board to acquire discontinued mining property. H.F. 656, carried by Sen. Don Betzold (DFL-Fridley), corrects erroneous, ambiguous and omitted text and obsolete references in the statutes. S.F. 570, authored by Sen. Mady Reiter (R-Shoreview), repeals numerous obsolete rules.

# Preview

## Monday, March 12

### Joint Education and Health and Family Security Workgroup on Children's Mental Health

Chair: Sen. Julie Sabo

8 a.m. Room 125 Capitol

**Agenda:** Further discussion of children's mental health legislation.

### Children's Environmental Health Work Group

Co-Chairs: Sen. Jane Krentz and Rep. Kathy Tangelstad

8:15 a.m. Room 123 Capitol

**Agenda:** Presentation by the Department of Children, Families and Learning and the Minnesota Department of Health.

### Transportation Subcommittee on Local Impact

Chair: Sen. Satveer Chaudhary

10 a.m. Room 125 Capitol

**Agenda:** Costs of public utility relocation due to MnDOT projects.

### The Senate will be in session at 11:30 a.m.

### E - 12 Education Budget Division

Chair: Sen. LeRoy Stumpf

1 p.m. Room 112 Capitol

**Agenda:** S.F. 328-Robertson: Extending integration revenue to all school districts which implement an integration plan. S.F. 853-Johnson, D.E.: Extending integration revenue to members of a multidistrict integration collaborative. Findings of Special Review of the CFL Office of Community Services, James Nobles, Legislative Auditor. Response from Department of CFL.

### Health and Family Security Committee

Chair: Sen. Dallas Sams

1 p.m. Room 15 Capitol

**Agenda:** S.F. 876-Lesewski: Permitting schools to sponsor potluck events. S.F. 574-Kelley, S.P.: Requiring home care providers to provide at least 15 days notice of service termination. S.F. 1187-Kelley, S.P.: Modifying penalty provisions for psychologists. S.F. 1145-Ranum: Establishing provisions dealing with maltreatment of a child in a facility. S.F. 697-

Lourey: Requiring the commissioner of health to create a model notice for property owners regarding testing of wells. S.F. 715-Foley: Modifying the penalties for noncompliance with work reporting. S.F. 948-Sams: Adjusting inpatient hospital rates for certain diagnosis for facilities outside the Metro Area. S.F. 956-Sams: Increasing pmap and pmap medical care capitation rates for non-metro counties. S.F. 1127-Sams: Changing the frequency with which physician assistant delegated prescribing activities must be reviewed. S.F. 1128-Sams: Providing a waiver of certain ambulance staffing requirements. S.F. 880-Kiscaden: Changing provisions for licensing background studies. S.F. 1167-Kiscaden: Increasing the credit for research in the health care provider tax.

### Higher Education Budget Division

Chair: Sen. Deanna Wiener

1 p.m. Room 107 Capitol

**Agenda:** State employee health insurance plan purchasing overview by Dave Haugen, assistant commissioner, Employee Insurance Division, Department of Employee Relations. Perspective on health insurance plan purchasing by Frank Cerra, M.D., senior vice president of Health Services; Richard Pfitzenreuter, chief financial officer and treasurer, University of Minnesota and Bill Tschida, vice chancellor for Human Resources, Minnesota State Colleges and Universities.

### Education Committee

Chair: Sen. Sandra Pappas

3 p.m. Room 123 Capitol

**Agenda:** S.F. 776-Lourey: Schools soda pop sales or distribution prohibition.

### Legislative Commission on Pensions and Retirement

Chair: Sen. Dean E. Johnson

6 p.m. Room 112 Capitol

**Agenda:** S.F. 53-Kleis/H.F. 95-Opatz: PERA; Retroactive payment of bounce back annuity to deceased former St. Cloud city employee. S.F. 77-Wiger/H.F. XXX: PERA; Exclude certain St. Paul city trades personnel and Metropolitan Airports

Commission plumbers from PERA coverage. S.F. 804-Kleis/H.F. XXX: MSRS-Correctional; Correctional plan coverage for Reshape program director. S.F. 1096-Pogemiller/H.F. 1334-Kahn: MSRS; University hospital employee disability benefits continuation. S.F. 1124-Chaudhary/H.F. 514-Carlson: Teacher Plans; Provide continued spouse insurance coverage. S.F. 841-Kiscaden/H.F. XXX: TRA; Exempting certain teachers from post-retirement earnings limits and reductions. S.F. 1126-Johnson, Dean/H.F. 968-Juhnke: Volunteer Firefighter Relief Associations; Provide ambulance service personnel state supplemental benefits, and increase amount and limits on supplemental benefits. S.F. 810-Pogemiller/H.F. XXX: PERA; Contribution increases, benefit modifications, and coverage changes. S.F. XXX/H.F. 855-Mares: PERA; Contribution increases, benefit modifications, and coverage changes.

### Compensation Council

7 p.m. Basement Hearing Room, State Office Building

**Agenda:** Organizational matters including introduction of members, election of chair, and administrative matters. Review of Compensation Council responsibilities. Salaries for Constitutional Officers, Judges and Legislators. Agency head salary ranges. Testimony. Council discussion.

## Tuesday, March 13

### Rules and Administration Subcommittee on Elections

Chair: Sen. John Hottinger

8 a.m. Room 123 Capitol

**Agenda:** Testimony on S.F. 388-Hottinger: Fair and Clean Elections Act. S.F. 90-Marty: Election campaign finance and ethics provisions modifications. Governor's campaign finance reform package.

### Environment and Natural Resources Committee

Chair: Sen. Jane Krentz

9 a.m. Room 107 Capitol

**Agenda:** S.F. 795-Stevens: Grant-in-aid requirements for DNR purchase of



easements. S.F. 897-Ourada: Modifying requirements for creation of Lake Improvement Districts. S.F. 912-Tomassoni: Modifying provisions governing use of highway right of way by snowmobiles. S.F. 996-Larson: Creating the Central Lakes Trail. S.F. 1350-Krentz: DNR administrative policy bill. S.F. 1434-Price: DNR waters bill.

#### **Judiciary Subcommittee on Data Practices**

*Chair: Sen. Don Betzold*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 321-Kleis: Authorizing access to data on substantiated maltreatment of vulnerable adults. S.F. 964-Betzold: Expanding St. Paul HRA data provisions to include all housing and redevelopment authorities. S.F. 1068-Betzold: Classification of certain data. S.F. 757-Price: Authorizing counties to give property owners the option of excluding their names from lists released for non-government purposes. S.F. 564-Ring: Providing access to employee assistance records; requiring employee assistance records be kept separate from personnel records. S.F. 811-Price: Ramsey and Washington Counties; removing sunset provision to control disclosure of certain personal information. S.F. 1099-Robertson: Clarifying certificates of discharge from military service filed with county recorder as private data. Tentative: S.F. 1215-Cohen: Permitting discretionary disclosure during investigation.

#### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 31-Samuelson: Providing for issuance of World War II veteran's license plates with symbols showing the highest decoration awarded. S.F. 518-Wiger: Exempting combat wounded veterans from the special motor vehicle license plate design that identifies eligibility groups using decal stickers. S.F. 1017-Terwilliger: Authorizing statutory cities, home rule charter cities, and urban towns to develop and implement programs for peace officers to detect and cite traffic signal violations by use of photographic evidence. S.F. 1113-Johnson, D.E.: Clarifying exemption

from registration taxes for certain well drilling machines, pump hoists, and other equipment.

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 525-Day: Authorizing the director of the state lottery to establish a state-run gaming facility.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Pollution Control Agency budget overview.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 857-Samuelson: Bridge replacement and Gillette Children's Hospital. S.F. 244-Higgins: People's Incorporated re-direction appropriation. The governor's budget: DHS.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentation concerning the Department of Economic Security.

#### **Tax Committee**

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Price of government.

#### **Property Tax Budget Division**

*Chair: Sen. Don Samuelson*

After full committee. Room 15 Capitol

**Agenda:** County property tax issues.

#### **Environment Subcommittee on Public Lands and Waters**

*Chair: Sen. Twyla Ring*

7 p.m. Room 112 Capitol

**Agenda:** S.F. 1270-Kinkel: Clarifying the environmental review required before sunken logs may be removed from waters of the state.

#### **Judiciary Subcommittee on Data Practices**

*Chair: Sen. Don Betzold*

7 p.m. Room 107 Capitol

**Agenda:** If necessary, bills not finished from morning hearing.

### **Wednesday, March 14**

#### **Rules and Administration Subcommittee on Senate Information Systems**

*Chair: Sen. Leonard Price*

8 a.m. 125 Capitol

**Agenda:** Continuation of annual review of existing policies.

#### **Agriculture, General Legislation and Veterans Affairs Committee**

*Chair: Sen. Steve Murphy*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 1222-Wiger: Authorizing the placement of plaques on the capitol grounds recognizing the service of Minnesota's members of the Merchant Marine and of the Woman Airforce Service Pilots (WASP) during World War II. S.F. 513-Dille: Providing funding for lamb and wool research, education, and marketing assistance programs. S.F. 730-Lourey: Regulating aerial pesticide application; providing penalties.

#### **Commerce Committee**

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 1066-Metzen: Department of Commerce omnibus banking bill. S.F. 414-Hottinger: Modifying the Minnesota Utilization Review Act. S.F. 491-Berglin: Providing patient protections. S.F. 796-Samuelson: Establishing certain patient rights and protections.

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** Racial profiling bills: S.F. 386-Ranum. S.F. 903-Berglin. S.F. 982-Neuville. S.F. 1043-Chaudhary: POST Board bill. S.F. 1047-Knutson: Apartment manager background checks.

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

# Preview

1 p.m. Room 15 Capitol

**Agenda:** S.F. 644-Sams: Dental services initiatives. S.F. 1331-Kiscaden: Permitting dental hygienists to practice certain services. S.F. 1361-Lourey: Dental services initiatives. S.F. 765-Hottinger: Prescription drug rebate program. S.F. 526-Day: Placing conditions on a pharmacy's participation in the MA program.

## Education Committee

*Chair: Sen. Sandra Pappas*

2:30 p.m. Room 123 Capitol

**Agenda:** S.F. 866-Pappas: Early childhood and family and K-12 education programs and funding provisions modifications (CFL administrative policy bill) Articles 1-7 (Article 8 will be heard 3/19).

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** Pollution Control Agency budget overview.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Governor's budget change page: Veteran's Home Board - Presentation by: Wayne Sletten, chair and Steve Musser, executive director. S.F. 118-Foley: DWI alcohol.08. S.F. 837-Wiener: Community corrections study. S.F. 161-Berglin: Restorative justice. S.F. 575-Berglin: Surcharge errors. S.F. 689-Sams: Eligibility for Medical Assistance treatment for breast or cervical cancer.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** S.F.1094-Pogemiller: Limiting a property tax exemption for certain electric generation facility property to facilities constructed by certain laborers.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Legislative Auditor's Report on District Courts and the District Courts' budget presentation.

## Legislative Commission on Pensions and Retirement Subcommittee on Service Credit Purchase

*Chair: Sen. Don Betzold*

7 p.m. Room 125 Capitol

**Agenda:** S.F. 59-Foley/H.F. 87-Koskinen: MTRFA; TRA; Service credit purchase for omitted contributions caused by school district error Sandra Lenarz. S.F. 106-Belanger/H.F. 163-Seagren: MTRFA; Service credit grant to certain MTRFA member Pamela Trutnau. S.F. 205-Berg/H.F. 316-Peterson: PERA; PERA service credit purchase for former Lac Qui Parle county employee Lori Schwendemann. S.F. 215-Oliver/H.F. 60-Workman: TRA; Service credit purchase for uncredited leave period. S.F. 314-Larson/H.F. 295-Cassell: TRA; PERA; Service credit for former St. Paul police officer, Wilkin county attorney, and Alexandria technical college faculty member Daniel Sandell. S.F. 315-Oliver/H.F. 356-Workman: TRA; Service credit purchase for leave, ISD No. 270-Hopkins Joan Hagburg. S.F. 329-Johnson, Debbie/H.F. 134-Tingelstad: MSRS; Service credit purchase for prior state highway department employee Alan Chapman. S.F. 371-Anderson/H.F. 907-Osthoff: TRA; Service credit purchase by teacher injured in auto accident, ISD No. 12-Centennial Daniel Kennedy. S.F. 435-Dille/H.F. 527-Ness: TRA; Service credit purchase for extended leave of absence, ISD No. 423-Hutchinson Bruce Petterson. S.F. 438-Foley/H.F. 537-Koskinen: TRA; Service credit purchase due to clerical error for sabbatical leave, ISD No. 11-Anoka John Georgolopolos. S.F. 656-Rest/H.F. 732-Thompson: PERA; Service credit purchase for former Minneapolis Park Board employees Virginia Rootes & Loris Longie. S.F. 732-Neuville/H.F. 142-Boudreau: MSRS; Prior DOT service credit purchase for corrections employee Mark Miller. S.F. 737-Cohen/H.F. XXX: PERA; Service credit purchase for former St. Paul city council member Len Levine. S.F. 928-Oliver/H.F. 982-Sykora: MSRS; Service credit purchase for specified DOT employee Clint Bucher. S.F. 1114-Sabo/

H.F. 726-Skoglund: MSRS; Service credit purchase for University of Minnesota Carlson school of management temporary full-time employment Judith Johnson. S.F. 1273-Ring/H.F. 1215-Jennings: TRA; Service credit purchase for prior University of Minnesota teaching service, ISD No. 279-Osseo Joe Pung. S.F. 1327-Bachmann/H.F. 1326-Mares: PERA; Service credit purchase for individual employed by ISD No. 624-White Bear Lake Ruth Lindbeck. S.F. 313-Larson/H.F. 303-Cassell: PERA-P&F; Service credit purchase for prior police or paid firefighter service. S.F. 370-Wiger/H.F. 465-Marko: PERA, PERA-P&F; PERA-P&F Prior military service credit purchase authorization modifications & PERA prior military service credit purchase authority elimination. S.F. 409-Solon/H.F. 619-Swapinski: Various; Public pension plans prior military service credit purchase. S.F. 517-Betzold/H.F. 122-Skoglund: Various; Service credit purchase for parental or family leaves of absence or breaks in service. S.F. 611-Betzold/H.F. 1240-Bernardy: Various; MSRS, PERA, TRA, & State Troopers prior military service purchase restrictions elimination. S.F. 1321-Pogemiller/H.F. 1462-Mares: TRA; Prior service credit purchase payment amount determination procedure expiration date extension.

## Thursday, March 15

### Education Subcommittee on Early Childhood Education

*Chair: Sen. Becky Lourey*

8 a.m. Room 123 Capitol

**Agenda:** S.F. 485-Robling: Modifying the at-home infant child care program. S.F. 671-Rest: Modifying early childhood family education revenue. S.F.676-Foley: Modifying school readiness aid. S.F.877-Pappas: Expanding eligibility for school readiness programs; expanding services offered by school readiness programs.

### Rules and Administration Subcommittee on Redistricting

*Chair: Sen. Roger D. Moe*

8 a.m. Room 107 Capitol

**Agenda:** S.F. 1013-Pogemiller: Legislative and congressional districts redistricting

principles. S.F. 1326-Pogemiller: Joint legislative resolution establishing districting principles for legislative and congressional plans.

#### **Transportation Committee**

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session  
Room 112 Capitol

**Agenda:** To be announced.

**The Senate will be in session at 9:30 a.m.**

#### **Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*

10 a.m. Room 107 Capitol

**Agenda:** S.F. 1105-Krentz: Regulating storage of road salt piles. S.F. 1164-Frederickson: Modifying the definition of landowner for RIM participation. S.F. 1213-Frederickson: Modifying provisions relating to the Wastewater Infrastructure Fund. S.F. 1479-Frederickson: Giving IUP authority to PFA.

#### **Judiciary Committee**

*Chair: Sen. John Marty*

10 a.m. or immediately following Session  
Room 15 Capitol

**Agenda:** S.F. 673-Larson: Continuation of Mental health treatment facilities medication administration liability limit. S.F. 1212-Foley: Clarifying use of certain factors in determining the best interests of a child. S.F. 728-Foley: Case captions to refer to patients by initials. S.F. 619-Ranum: Domestic abuse crimes provisions modifications. S.F. 1145-Ranum: Child maltreatment in facilities reporting and investigation procedures. S.F. 339-Murphy: Agricultural liens regulation provisions modification and consolidation. S.F. 564-Ring: Employee assistance records access and maintenance requirements. S.F. 179-Betzold: Civil commitment provisions modifications. S.F. 317-Cohen: Constitutional amendment for equal rights for men and women.

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 986-Vickerman: Lawful gambling; modifying definition of lawful purpose. S.F. 987-Vickerman: Lawful gambling; creating new class of premises permit. S.F. 1008-Betzold: Horse racing and card clubs; authorizing licensee of commission to detain persons suspected of cheating. S.F. 1214-Tomassoni: Horse racing; modifying license application requirements; modifying medication requirements. S.F. 1130-Vickerman: Reducing rates of tax for lawful gambling. S.F. 1131-Metzen: Reducing rates of tax for lawful gambling. S.F. 1132-Stumpf: Reducing rates of tax for lawful gambling. S.F. 1133-Wiger: Reducing rates of tax for lawful gambling. S.F. 1134-Lesewski: Reducing rates of tax for lawful gambling. S.F. 1135-Tomassoni: Reducing rates of tax for lawful gambling. S.F. 1136-Solon: Reducing rates of tax for lawful gambling.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** To be announced.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** Public testimony: Department of Human Services budget.

#### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*

4 p.m. Room 15 Capitol

**Agenda:** S.F. 149-Rest: Modifying subtraction for charitable contributions. S.F. 151-Terwilliger: Providing a subtraction for social security income. S.F. 284-Rest: Conforming to federal tax of S Corp financial institutions. S.F. 307-Neuville: Providing subtraction for personal and dependent exemptions. S.F. 335-Schwab: Providing subtraction for social security income. S.F. 347-Samuelson: Allowing subtraction for national guard and active duty military pay. S.F. 348-Samuelson: Allowing expanded deductions for medical care and health insurance. S.F. 600-Lesewski: Allowing a subtraction for musical instruments used in schools. S.F. 690-Wiger: Providing subtraction for

personal and dependent exemptions. S.F. 696-Murphy: Providing for tax refunds to pay debts for child support before tax offsets. S.F. 901-Sams: Allowing subtraction of certain governmental pension income. S.F. 921-Rest: Appropriating money for grants to nonprofit entities to facilitate delivery of volunteer assistance to low income taxpayers. S.F. 1097-Berglin: Providing credit for expenses incurred in process of adopting a child. S.F. 1143-Berglin: Allowing subtraction for adoption expenses.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Items from Weds., Mar. 14, and budget presentations concerning the Supreme Court and the Court of Appeals.

#### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** Budget overviews of the Workers' Compensation Court of Appeals, the Board of Architecture and Engineering, the Board of Barber Examiners, the Bureau of Mediation Services, and the State Board of Electricity.

### **Friday, March 16**

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 1347-Ranum: Requiring sex offender assessment. S.F. 1414-Ranum: Corrections employee sexual misconduct. S.F. 1428-Ranum: Clarifying the impaired driving consecutive sentencing provisions. S.F. 969-Chaudhary: Enabling police officers to execute search warrants on foreign corporations doing business in Minnesota to search for electronic evidence.

#### **Rules and Administration Subcommittee on Elections**

*Chair: Sen. John Hottinger*

12 noon Room 123 Capitol

**Agenda:** To be announced.

# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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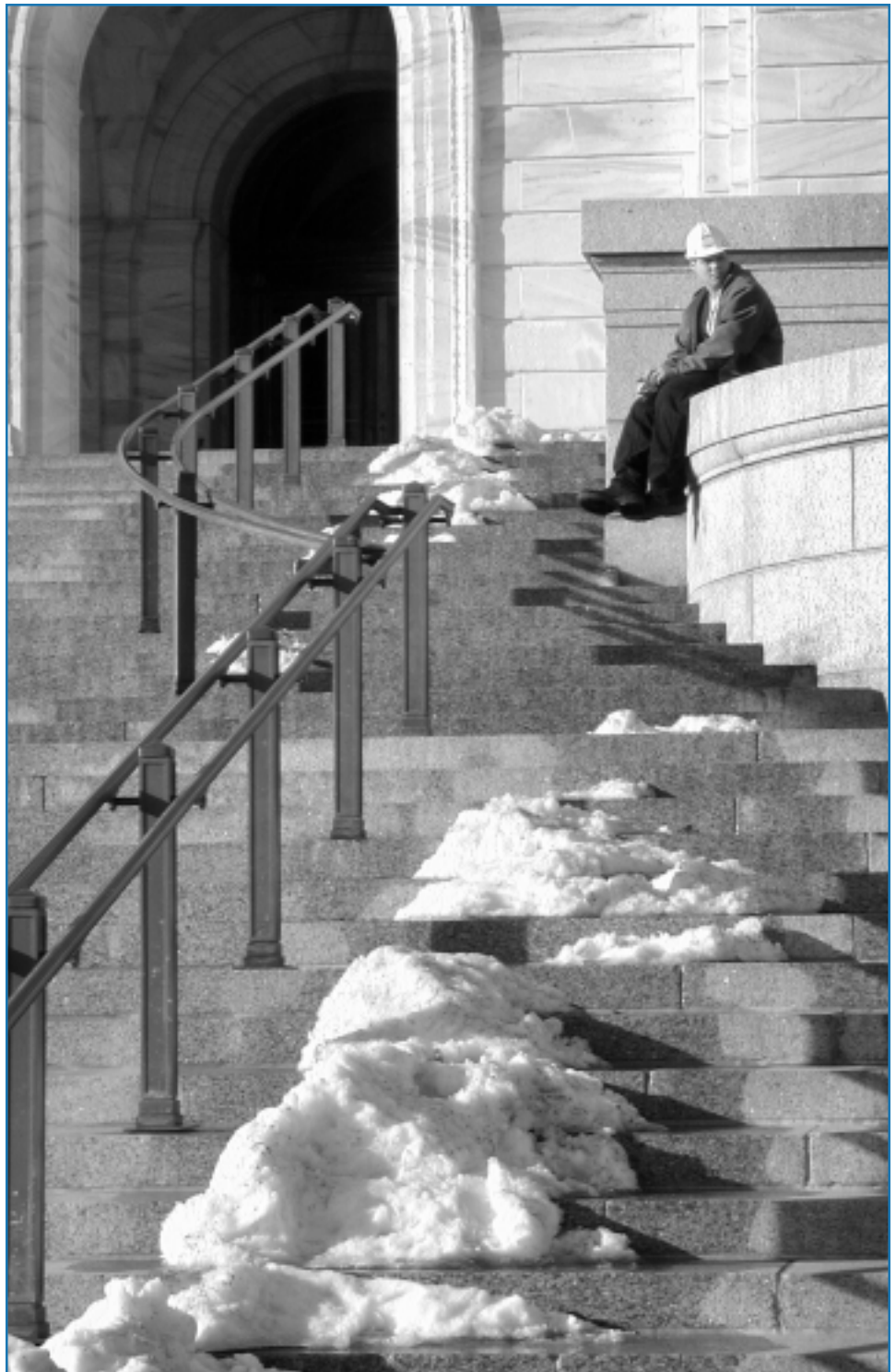
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*With the last remnants of snow on the Capitol steps rapidly melting, a remaining participant from a construction trades rally, soaks up some late afternoon sun on Weds., Mar. 14.*

*Photo by David J. Oakes*



March 16, 2001

# Senate Highlights

## Price of government adopted

The Senate met Thurs., Mar. 15, to approve a concurrent resolution, offered by Sen. Lawrence Pogemiller (DFL-Mpls.), setting price of government targets. The Senate also approved legislation regarding extended unemployment benefits for laid off LTV mine workers and processed bills.

Pogemiller introduced the price of government resolution, Senate Concurrent Resolution 6, saying the targets set in the resolution are higher than those offered by the other body and the governor in order to provide for long-term investment in the areas of education, transportation and health care. The resolution also shifts the balance of revenues towards higher state revenues, which Pogemiller said reflects the decreased reliance on property taxes.

Sen. David Knutson (R-Burnsville) said, "The thing we need to focus on is reducing the income tax." The state's high income tax levels, he said, keep people from staying in the state and provide a disincentive to job creation. Pogemiller said that the governor and many other interests have all indicated that property tax reform is the key tax reform issue this session. While reductions in other tax types are still available options, he said, significant property tax reform will preclude deep cuts elsewhere.

Sen. Grace Schwab (R-Albert Lea) offered an amendment to reduce the percentage of personal income collected in taxes and other revenues and to allocate more of those revenues to local government units. "We cannot keep spending excessively," she said. Tax dollars should stay with families and should stay at the local level, Schwab added.

While Pogemiller's proposal set targets of 16.2 percent in FY 02-03 and 15.7 percent in FY 04-05, Schwab's amendment reduces the percentages to 15.9 percent and 15.5 percent, respectively. The amendment sets a constant share of 39 percent over all four fiscal years as opposed to the original proposal's gradual reduction of the local share to 38 percent in FY 02-03 and 36 percent in FY 04-05.

Sen. Michele Bachmann (R-Stillwater) supported Schwab's amendment, saying the Senate cannot neglect education, transportation and health care, but it can decrease spending and be careful with the people's money at the same time. Sen. Pat Pariseau (R-Farmington) cited a study released by Americans for Tax Reform that sets cost of government days for each state. Minnesota's cost of government day, she said, is May 5. "How much farther do we want to take it," Pariseau asked.

Even the original resolution, said Sen. Linda Berglin (DFL-Mpls.), will make it hard for the state to deal with the largest spending increase it needs, a cost of living adjustment for health care workers. Sen. John Hottinger (DFL-Mankato) noted that people across the state are turning out against the governor's budget and similar proposals that reduce or limit spending on education, long-term care, transportation and other programs that Minnesotans value. The original resolution, he said, offers some balance between tax relief and spending increases. "We invest in the things that build our economy and our quality of life," he said, and that the state must continue to do so if it wishes to continue being a national leader.

The amendment failed on a roll call vote, 27-39. The resolution was adopted on a voice vote.

The Senate also took up H.F. 47, carried by Sen. Douglas Johnson (DFL-Tower). The bill requires a closed iron mine to be maintained for two years and extends unemployment benefits for employees laid off by the recent LTV mine closure. Johnson also offered an amendment to the bill that reduced the length of the benefit extension from 78 weeks to 30 weeks.

The LTV mine shutdown, he said, laid off 1,400 workers and created concerns for schools and families across the region. There are no other good job options on the Iron Range, Johnson said. Sen. David Tomassoni (DFL-Chisholm) said that the skills a mineworker has do not translate to other industries. Since there is no chance of the mine reopening, he said, laid off workers need time to re-educate themselves and find new jobs. The extension of their unemployment benefits, Tomassoni said, will provide the families and communities with economic security.

Sen. Sheila Kiscaden (R-Rochester) asked what the rationale was for providing the extension to this plant closure and not other plant shutdowns across the state. Johnson said there is already a precedent for providing similar benefits, though the LTV legislation is the most generous of any benefit extension. Sen. Dick Day (R-Owatonna) asked why Northern Minnesota plant closures tend to receive more extensions and other considerations than those in the southern region of the state. Johnson explained that other areas have a diversified economy, but Northern Minnesota is in a very unique and unusual

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situation in the region's reliance on the mining industry. "These people want to work," he said, "and they want to live there, in Northern Minnesota."

The amendment prevailed on a voice vote and the bill was passed, 63-1.

The Senate also met Mon., Mar. 12, to process committee reports and bill introductions.

### **School soda bill heard**

The Education Committee, chaired by Sen. Sandra Pappas (DFL-St. Paul) came together Weds., Mar. 14, and debated the merits of providing soda pop in vending machines in schools.

Sen. Becky Lourey (DFL-Kerrick) carried S.F. 776, which bans the sale of soda pop during the school day and requires soda pop vending machines to be in places accessible only to teachers. The committee adopted an amendment that defines "school day" as the time students are in class, but not in after-school activities. The amendment also defined soda pop more clearly and excluded non-carbonated drinks from the definition.

Several representatives from the dental care industry testified on the impact of soda pop on oral health. Dr. Mark Jurkovich, representing the Minnesota Dental Association, said soda drinking causes damage to teeth that lasts a whole life time. He said, "Dentists have found the primary cause of extensive decay in young adults is soda pop." He said that 93 percent of dentists in a recent study said that soda drinking is a major cause of tooth decay and 96 percent said they had at least one client with decay due to soda drinking.

Dr. Steve Miles, a gerontologist, put forward concerns about the harm soda pop drinking does to people's bones. He said that only 1 out of 7 girls gets enough calcium in her diet, and students who drink soda pop regularly have 20 percent less calcium in their bones. He said the money raised by schools through selling pop does not cover the expenses the state has to pay for people on Medicaid and in nursing homes who suffer from dental and bone issues caused by soda drinking.

Bob Meeks from the School Board Association said, "This decision should be made socially with schools, school districts and parents." Sen. Linda Scheid (DFL-Brooklyn Park) also said the issue should be dealt with locally. "Government should not tell people what to eat, what to drink," she said.

Meeks also said, "I don't believe this bill will stop pop in schools, it will just prevent us from getting revenues." He explained that kids would still be able to buy soda from other sources and bring it to school.

Roger Arsonson from the Minnesota Association of Secondary School Principals said that the money from pop sales funded vital parts of the school. "We buy band uniforms with this money and we buy machines to mop the floors," he said. He also said that he had spoken to a number of school officials who estimated that their schools earn about \$20,000 to \$30,000 each year from pop sales. He said that schools sold about \$50,000 worth of pop, which is about 40 to 50 cans of pop per student every year. According to his calculations, he said, students drink about one can per week.

Stumpf replied that saying that even if schools can raise a lot of money from pop sales, it does not mean that it was a positive thing for students. He said, "We don't sell tobacco products in schools and we know we could make a lot of money doing that."

S.F. 776 failed on a 6-29 roll call vote.

### **Camera surveillance bill approved**

The Transportation Committee met Tues., Mar. 13, to hear bills on camera surveillance at intersections, special license plates, registration tax exemptions on certain equipment and signage commemorating the Moose Lake fire of 1918.

A bill authorizing the installation of cameras at intersections was presented by Sen. Roy Terwilliger (R-Edina). "S.F. 1017 enables cities to implement a program to obtain photographic evidence of cars running red lights," said Terwilliger. A ticket for a petty misdemeanor would then be mailed to car owners, not drivers, he said.

Sen. Dave Johnson (DFL-Bloomington) said under the bill, photos show the license plate of the vehicle that runs a red light and not the driver. He said he considers the bill unconstitutional and suggested amending the bill to allow two cameras at intersections—one photographing the driver and the other showing the vehicle's license plate. Sen. Claire Robling (R-Prior Lake) and Johnson voiced concern over vehicle owners being ticketed in the same manner as parking violators. Johnson said although ticketing

for running red lights caught by cameras would be considered a non-moving violation, insurance companies would discover the violation and rate it as a moving violation. He said vehicle owners could incur increased insurance rates for a crime they did not commit.

Bob Weinholzer, from MNDOT and a member of the Motion Imaging Recording System (MIRS) Committee, said the system detects violating vehicles and is used in 14 U. S. cities and in over 44 countries. He said, "The system makes it possible to detect the extensiveness of certain violations and helps reduce violations and accidents." Additionally, law enforcement officers are free to investigate other crimes, he said.

Results of a MNDOT study on vehicles running red lights showed an average of about 49 violations per light per day by vehicles traveling in only one direction, he said. The intersection of south-bound Snelling Avenue at St. Anthony Avenue had 179 incidents, the highest number of violations recorded during the study, said Weinholzer.

He said respondents of a Minnesota survey showed a four to one approval of the MIRS technology for violation detection. Lyle Berg, city of Bloomington traffic engineer, and Bloomington Police Chief Roger Willow agreed that law enforcement has a difficult time enforcing traffic light violators because the police department doesn't have the resources for the labor-intensive enforcement. They also agreed there is a risk to the public and police officers if there is a violation pursuit. Further, said Willow, privacy issues have been diminished because pictures are only taken of offending vehicles. Willow said MIRS has the support of the Hennepin County Police Chief's Association.

Sen. Dick Day (R-Owatonna) said, "This is another example of Big Brother." Terwilliger said, "I don't think this is Big Brother. I think drivers have the right to an expectation that green lights are safe to travel through."

Sen. Randy Kelly (DFL-St. Paul), committee chair, proposed adding a two-year sunset on the bill in order to give the committee an opportunity to revisit the issue and either modify or reinstate the law. Kelly's proposal was offered, and adopted as an amendment. S.F. 1017 was approved by a vote of eight to six and referred to the Judiciary Committee.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Pesticide regulation discussed

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), considered four bills Weds., Mar. 14. Two of the bills involve pesticide application. S.F. 1436, authored by Sen. Leonard Price (DFL-Woodbury), regulates pesticide application in schools. The bill requires that a "school pest management coordinator" be designated in a school as responsible for integrated pesticide management practices.

Greg Buzicky of the Department of Agriculture said the bill is the result of a study of pest management at schools. The study revealed no major concerns, but sometimes when parents call for information there is confusion about who is

responsible for the pesticide application. Buzicky said the bill requires the Department of Agriculture to establish a registry of school pest management coordinators and regularly provide them with information on integrated pest management techniques. There is minimal cost associated with the bill, he said.

Sen. Charles Berg (R-Chokio) said he is concerned that the bill creates yet another responsibility for individuals who already perform a variety of functions in schools. Buzicky pointed out that the bill requires no training of school employees, just registration so that information can be provided to them. Members adopted a technical amendment to clarify language and re-referred the bill to the Education Committee with a recommendation to pass.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 730, a bill that regulates the aerial application of pesticides. The bill makes aerial pesticide applicators liable

for drift of a pesticide into an area of high sensitivity, with special provisions allowing beekeepers and organic farmers to register their locations and be compensated for damages.

Commercial beekeeper Steve Ellis testified in support of the bill, saying that bee colonies are frequently damaged as a result of pesticide application. He pointed out that crops rely on bees for pollination, but bee populations have dropped more than 50 percent since pesticides began to be used in the late 1940s. He concluded, "We are out there, we are necessary, and we would like to work together with the industries that use these chemicals to accommodate both parties."

Murphy expressed concern about the fact that the bill puts the burden of proof on pesticide applicators and restricts them in doing work that is necessary for agricultural and health purposes. Lourey agreed to lay the bill on the table and work out difficulties with people on both sides of the issue.



*Dr. Pam Erickson provides graphic evidence of how much sugar is contained in a two-liter bottle of soda pop to members of the Education Committee on Weds., Mar. 14. Sen. Becky Lourey (DFL-Kerrick), right, offered a bill prohibiting soda pop sales in schools. Dr. Mark Jurkovich, left, also offered testimony on behalf of the Minnesota Dental Association. Photo by David J. Oakes*



Sen. Steve Dille (R-Dassel) introduced S.F. 513, a bill to help the lamb and wool industry prosper. The bill appropriates \$100,000 in both FY 2002 and FY 2003 for educational programs at Minnesota colleges. Mike Caskey, an instructor for the lamb and wool program at Minnesota West Community and Technical College in Pipestone, said the program provides instruction to producers to enhance the profitability of sheep. "Our program has been successful in generating about \$120 million in economic benefit for Southern Minnesota," Caskey said.

The bill appropriates an additional \$100,000 each year to help the University of Minnesota extension service do research and disseminate information about sheep, Dille said. Also, he said, \$50,000 each year is allocated to develop the lamb and wool market by helping producers target restaurants and meat retail outlets. Caskey said the lamb supply currently does not meet demand, and Minnesota has all the resources necessary for sheep farming. The bill was sent to the Finance Committee with a recommendation to pass.

Finally, Sen. Charles Wiger (DFL-North St. Paul) presented S.F. 1222, a bill that authorizes the placement of a memorial plaque in the court of honor on the Capitol grounds to recognize Minnesotans who served in the Merchant Marine and the Woman Airforce Service Pilots (WASP) during World War II. Howard Wilson, Merchant Marine veteran, said servicemen provided crucial supplies to allied forces during World War II at great danger of being bombed or torpedoed. He said Eisenhower called the Merchant Marine "the best kept secret of World War II." The plaque will be privately funded, Wiger said. The bill was sent to the floor with a recommendation to pass.

## Capital Investment

### Public TV needs heard

Digital public television stations, conservation of the Minnesota River Valley and state funding for local bridges were the concerns testifiers brought before the Capital Investment Committee Thurs., Mar. 8.

Minnesota Public Television representatives outlined the plans to convert all their stations to digital technology. Al Harmon, general manager of WDSE Public TV, Duluth, said the 1996 federal Telecommunications Act mandates all

television stations to be digital by the year 2003. "The message was 'go digital or go dark,'" he said. Bill Strusinski, executive director of the Minnesota Public Television Association, said Minnesota Public Television, which is not a state agency but a 501(c)3 nonprofit organization, requests \$20.9 million in state funds to cover 47 percent of the total cost of the conversion. He said the rest will be granted from the federal government and raised through donations. He also said that if the state funding is not secured in the next 27 months, the federal government will not cover any of the cost of the conversion.

Jim Pagliarini, president of Twin Cities Public Television, presented the possibilities of digital television. He said, "Ultimately, we are going to see the invention of a new medium with as big of an impact as analog television had when it was born." According to Pagliarini, digital television uses spectrum space more efficiently, freeing up airwaves so they can be used to transmit additional programming and information. For example, he said, a person watching the program "Almanac" would be able to download, through the television connection, copies of bills that are being discussed.

Keith Langseth (DFL-Glyndon), chair of the committee, said that funding for the conversion was passed by the Legislature last year but was vetoed at the last minute by the governor.

The committee also heard testimony addressing the Conservation Reserve Enhancement Program (CREP). Ron Harnack, executive director of the Minnesota Board of Water and Soil Resources, said the program brings together landowners, the United States Department of Agriculture and the Reinvest Minnesota Program in order to set aside Minnesota River Valley flood plains, buffers and wetland restorations. "We farm the best, and buffer the rest," he said. According to Harnack, in 15 years the program will save the state \$233.5 million by diminishing the need for disaster assistance and reducing erosion and water pollution.

Sen. Dennis Frederickson (R-New Ulm) said that for every dollar Minnesota contributes to the effort the federal government gives \$2.30. The governor's budget includes \$51.5 million to cover the project, of which \$43 million is funded through bonding for easements and \$7.8 million is allocated from the solid waste fund. The goal of the program,

Frederickson said, is to set aside 100,000 acres. Harnack said that today 40,000 acres are taken out of agricultural use through CREP.

Finally, the committee addressed bonding for local bridges. Khani Sahebjam, state aid bridge engineer, said that the state began bonding for local bridges in 1976. Since then, he said, 6,200 bridges have been replaced or repaired. He said the governor's proposed \$30 million allocation funds 300 to 400 bridge projects during the biennium.

## Commerce

### Patients' rights discussed

Members of the Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth), met Weds., Mar. 14, to hear three bills relating to patient protection, utilization review organizations and banking regulations, respectively.

S.F. 491, carried by Sen. Linda Berglin (DFL-Mpls.), requires the commissioners of health and commerce to divide civil penalties imposed on a health plan among enrollees affected by the violation, modifies continuity of care and access to specialty care regulations, requires health plans to submit separate expenditure data for patient care and administrative costs and requires the commissioner of health to develop a plan to collect quality patient care data. Berglin offered three amendments to the bill, all of which were adopted. Two of the amendments were technical clarifications of language, she said. The third amendment included provisions on clinical trials to clarify cost responsibilities associated with a patient involved in a clinical trial, Berglin said.

According to Berglin, the provision requires a patient's health plan to cover costs that are normally associated with treatment services. Any costs associated with the clinical trial, however, are the responsibility of the trial or the patient, she said. Sen. Deanna Wiener (DFL-Eagan) asked if the clinical trials must be federally approved. Dr. Tom Hobbeman, Mayo Clinic, said that the trials are approved by the National Institutes of Health, the Food and Drug Administration or a federal agency at the same level. He added that only about one to three percent of prospective patients in the nation participate in cancer trials. At the Mayo Clinic, Hobbeman said, researchers do not differentiate between patients who can

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afford to be on the trial and those who cannot. However, he acknowledged, not all research facilities have the resources that the Mayo Clinic does. Sen. Edward Oliver (R-Deephaven) asked if patients participating in trials are having all health care cost claims denied by their health plans. Berglin said that, in some cases, this was happening. Patients, she said, are often discouraged from participating in trials because of concerns about out-of-pocket expenses.

William Fehrenbach, HealthPartners, said his organization has significant concerns with the clinical trial language. He projected that the fiscal note on the provision will be significantly higher than was expected for previous versions of the section. "This proposal is light years away from what we believe a reasonable compromise to be," Fehrenbach said. Robyn Rowen of the Insurance Federation of Minnesota said her organization had not seen the amended language until the hearing and was concerned with ambiguities in the legislation. The federation, she said, is committed to the process of seeking a compromise but does not feel that the amended language should be used as a placeholder until a compromise is reached. Carolyn Jones, Minnesota Chamber of Commerce, said her organization takes a similar position. The chamber supports the rest of the bill, she said, but has concerns that the language in the clinical trial section goes beyond standard care coverage.

S.F. 491 was re-referred to the Finance Committee without recommendation.

Sen. John Hottinger (DFL-Mankato) carried S.F. 414, which modifies utilization review requirements and clarifies standards of care regulations that apply in utilization review. Hottinger also offered two author's amendments that were adopted. Utilization review organizations (UROs) determine if health care services recommended by an attending physician are covered under a health plan. According to David Renner, Minnesota Medical Association, most health plans have internal UROs or contract with a URO to make such determinations.

The bill requires that physician reviewers used by UROs be licensed in Minnesota. It also requires that physician consultants used by UROs during appeals must be Minnesota licensed and practice in the same specialty as the physician ordering the care. The legislation does not

affect small insurers, defined as those plans assessed less than three percent of the total amount assessed by the Minnesota Comprehensive Health Association. Renner said a significant compromise was reached by strengthening the appeals provision to allow anyone to appeal the decision and to require that the physician consultant used on the appeal be of the same specialty while removing the specialty requirement initially proposed for the URO's physician reviewers. Michael Scandrett of the Minnesota Council of Health Plans said his organization is not completely happy with the compromise reached, but accepts that the legislation has come a long way and supports it. The bill, as amended, was referred to the floor with a recommendation to pass.

Sen. James Metzen (DFL-South St. Paul) carried S.F. 1066, the omnibus banking bill. He described the measure as a housekeeping bill with no controversial features. Metzen offered an amendment supported by the Dept. of Commerce that was adopted. The bill was referred to the floor as amended with a recommendation to pass.

## Crime Prevention

### Obsolete laws repealed

At the Fri., Mar. 9, meeting of the Crime Prevention Committee, Sen. Randy Kelly (DFL-St. Paul) voiced a melodic presentation to S.F. 971, a measure to repeal an obsolete law that declares itinerant carnivals to be public nuisances. Kelly said that during the 1920s and 1930s, laws were enacted to prevent "gypsies" from locating in towns and cities. He said that research determined that there has been no recorded use of the statute since the 1920s. The bill defines an itinerant carnival as a promiscuous gathering of people conducting lewd or obscene actions, gambling or otherwise engaging in immoral pursuits. Sen. Don Betzold (DFL-Fridley) said, "Are you sure you want to repeal this?" Kelly said, "I think we should do more repealing unnecessary language from statutes." The panel approved the bill and recommended it for the Consent Calendar.

A second housecleaning bill, S.F. 972, was presented by Kelly. The measure repeals an obsolete law that prohibits endurance contests to last more than 24 hours without providing proper rest periods. Kelly explained that earlier in the

last century marathon dance contests sometimes lasted so long that dancers expired from dehydration. The bill was approved and also recommended for the Consent Calendar.

Sen. Jane Ranum (DFL-Mpls.), chair of the committee, presented S.F. 1413, a bill that requires the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in juvenile residential and detention facilities. Ranum said that the Department of Corrections prefers that the Dept. of Human Services (DHS) do the background checks because it is set up to do them efficiently and effectively. A disqualification following a check prevents the individual from engaging in direct contact or having access to those receiving services in programs licensed by DHS, as outlined in the bill. For some types of crimes, an offense may or may not be a disqualifier, depending on discussions between the department and a potential employer, she said. Following approval by the committee, the bill was recommended for the Consent Calendar.

Sen. Julie Sabo (DFL-Mpls.) presented S.F. 1057, a measure that appropriates money to the Minnesota Center for Crime Victim Services to make grants to non-profit neighborhood-based crime victim/witness services. Sabo said the bill works to assist crime victims in entering and negotiating the system, helping them to report crimes and to follow through the process. She said the bill addresses the lack of trust and understanding of the criminal justice system by groups that currently under-report crime. The bill was approved and re-referred to the Finance Committee.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 754, a measure that requires the commissioner of corrections to develop discharge plans to assist inmates with serious mental illness for offenders who choose them. Berglin said the initiative is part of a comprehensive mental health bill that focuses on sections dealing with the Department of Corrections (DOC). Berglin said, "The idea is to do a better job of planning releases for those leaving prison. An offender could be in the position of taking needed medication while in prison, then being released and not having more than one week's worth of a prescription and not having knowledge of health care services they need. These factors could lead to future recidivism."

An amendment was adopted to specifically include offenders with traumatic brain injury and fetal alcohol syndrome into a study conducted by the commissioner of corrections and the commissioner of human services. The amendment specifies that the study must assess and identify barriers that offenders experience in successfully reentering the community.

Under the amendment, the study must also identify the number and status of offenders affected by traumatic brain injury and fetal alcohol syndrome. The study must also evaluate other reintegration issues affecting this category of offenders. Another amendment authorizes reimbursements, at a rate of \$500 per offender, to counties for DHS or other providers who are involved in prison discharges of mentally ill offenders. Both amendments were adopted.

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

Sen. John Marty (DFL-Roseville) carried S.F. 1144, a bill that defines the terms “alcohol by volume” and “alcohol by weight” in the impaired driving code. “I think these are technicalities that need to be fixed,” Marty said. A provision clarifies and expands the professionals who may chemically test a person for DWI purposes. The bill strikes current references to physicians trained mobile intensive care paramedics and inserts references to emergency medical technician-paramedics and medical laboratory technicians.

Under the bill, “alcohol by volume” means milliliters of alcohol per 100 milliliters of beverage. “Alcohol by weight” means grams of alcohol per 100 grams of beverage, according to Marty.

The bill was approved by the panel and referred to the floor.

Sen. Leo Foley (DFL-Coon Rapids) presented a bill on behalf of Sen. Sheila Kiscaden (R-Rochester), who was unable to attend the meeting. S.F. 1157 amends the correctional facility licensing law. The bill provides that when the commissioners of corrections and human services agree that standards for community-based programs cannot reasonably apply to correctional facilities, alternative equivalent standards must be developed. The bill was approved and recommended for the Consent Calendar.

## Racial profiling bills discussed

Sen. Jane Ranum (DFL-Mpls.), chair of the Crime Prevention Committee, invited individuals from the audience to testify concerning three racial profiling bills at the Weds., Mar. 14 meeting. The bills include S.F. 386, authored by Ranum, S.F. 903, authored by Sen. Linda Berglin (DFL-Mpls.) and S.F. 982, authored by Sen. Thomas Neuville (R-Northfield).

The majority of witnesses testified in favor of passing legislation that would provide mandatory data collection of traffic stops in order to determine instances of racial profiling. Jewish Community Action spokesperson Elena Izaksonas said she thought the study would provide hard evidence, to supplement anecdotal evidence of racial profiling, in order to convince the white community of the magnitude of the problem. Public Defender Joe Bueltel of the Third Judicial District said that when data is compared from different districts, actions can be taken to target training for officers.

Speaking in opposition to mandatory data collection, League of Minnesota Cities (LMC) spokesperson Anne Finn said the board she represents questions the reliability of information provided under such a system. The league proposes an alternative plan to create state-operated compliance checks to assure accountability, training and disciplinary actions, she said.

Neuville presented an amended version of S.F. 982. He said the bill does not require mandatory data collection or provide funding for voluntary data collection, but it does establish an articulation of purpose that recognizes the existence of racial profiling. Neuville said that since we already know the problem exists, there is no point in further study. His approach, he said, is to provide funding for better training, to create POST Board compliance reviews and to fund the Department of Public Safety (DPS) to implement public awareness campaigns. The bill creates model policy requirements that the POST Board, in consultation with enforcement officials, must implement and requires that every jurisdiction must adopt a similar policy. The model policy must include pre-hire psychological evaluations and training for law officers prior to receiving licensing, said Neuville.

Sen. Satveer Chaudhary (DFL-Fridley) asked whether or not the bill provides forms of disciplinary action for

those who defy policy. Neuville answered that it did not. He said disciplinary recourse was left to the discretion of local agencies but that non-compliance with policy must be reported to the POST Board, under the terms of the bill.

Sen. Leo Foley (DFL-Coon Rapids) said he was concerned that occurrences of racial profiling be reported to a neutral agency rather than the enforcement agency employing the officer in question, as outlined in the bill. An amendment was adopted to require that the POST Board investigate policy infringements.

Ranum said that the Minnesota Department of Human Rights reported 29 formal complaints of racial profiling in 2000. However, it is difficult to determine an accurate number because some cases involving racial profiling are classified under the category of police brutality, according to Ranum. She said that having data available moves the conversation away from rhetoric and works to change the behavior of enforcement personnel.

Sen. Randy Kelly (DFL-St. Paul) said that testimony from officers indicates that they already accept the proposition that there is a problem. “Why not develop mechanisms to address the problem? I’m more interested in results than process,” he said, adding, “let’s provide a process to let victims come forward.”

Berglin said, “It’s important to report data because it lets you know the extent of the problem, whether or not it’s improving, whether or not we’re achieving goals. I don’t think these approaches [included in the three bills] need to be mutually exclusive,” she said.

Sen. Grace Schwab (R-Albert Lee) said that she worried about data collection because interpretation depends on who is collecting and interpreting it.

Suzie Hardigan, a researcher of racial profiling from the University of Minnesota’s Institute on Race and Poverty said, “Invariably, experts agree that data collection is the solution.” She said that S.F. 386 and S.F. 903 identify officers and address systemic problems, which is an approach that has worked in other states. Hardigan said that cost estimates for data collection are lower than previously estimated. For example, she said, in Oakland, California, 12 data elements are collected on paper by officers, taking less than one minute, with a data collection system cost of \$26,000. “Data helps to tailor the solutions as well as to monitor.

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The national trend is toward indefinite mandatory data collection as outlined in Senator Berglin's bill," she said.

Chaudhary said, "Whenever we talk about civil rights, whether in this century, the last century or past centuries, we hear the argument that local rights—or the rights of local jurisdictions—are more important than civil rights. In Neuville's bill there is no disciplinary action proscribed, no standards in terms of training," he said.

Neuville made a motion to delete the language in S.F. 386 and amend the language of S.F. 982 into S.F. 386. The amendment failed on a 6-6 roll-call vote. The bills were laid over for further consideration.

## Education

### Technology proposals discussed

Education technology proposals were discussed Thurs., Mar. 8, in the Education Subcommittee on Technology. Sen. Satveer Chaudhary (DFL-Fridley) chaired the meeting and asked for an informal exchange of ideas on policy and funding proposals for technology education in Minnesota. He said the panel's charge is to identify education technology policy and funding needs.

Joan Wahlen, Apple Computer's director of state initiatives, said Apple proposes a \$30 million grant be appropriated for 56 Greater Minnesota school districts. The school districts have been identified by CFL as having a high percentage of students with learning needs. The purpose of the funding is to provide wireless laptop computers to every K-5 student. She said, in addition, the grants would provide reading, writing and math computer software, and a multi-media computer station to each grade level for developing digital portfolios to document student performances. She said 25 percent of the funding is suggested for staff development.

Such a proposed program begins in kindergarten and runs through grade five until students complete the Minnesota comprehensive assessment tests in reading, writing and math, which would provide outcomes and a means for comparison, said Wahlen.

"West Virginia did a similar project and found it was a great equalizer for the technology divide," said Wahlen. She also said results from West Virginia indicated an 11 percent gain in the areas of reading,

writing and math. "If Minnesota institutes a similar pilot project it would be a great leap toward tying to link technology to achievement, she said.

Chaudhary briefly discussed a proposal from Sen. Ann Rest (DFL-New Hope). The proposal provides grants for elementary classroom web sites. He said the interactive web site is for parents and students.

Ken Hasledalen, chief information officer for the Department of Children, Families and Learning (CFL) discussed a plan for an early childhood integrated data system. Hasledalen said, phase one, which encompasses start-up costs and a cost analysis, is projected to cost \$200,000 with an additional \$150,000 to \$250,000 needed to connect to Minnesota Automated Reporting Student System (MARSS). Phase two, software development, is estimated to cost \$3.5 million, he said.

Betty Cook from CFL's early childhood and family initiatives area, discussed a proposal for CD-ROM parenting education. She said costs for developing the CD-ROM vary, starting at about \$10,000 for a simple, text-based CD-ROM and increasing upwards to \$40,000 or \$50,000, depending on the length, number of paths and level of interaction. The second development phase, she said, provides information-sharing with the public on what is currently available in technology-based parenting education, and criteria that parents can use to make informed choices about which resources will benefit them most. The cost of this program phase is approximately \$15,000, she said.

MnSCU's technology funding needs were reviewed by Chief Information Officer Ken Niemi and John O'Brien, associate vice chancellor for instructional technology. Niemi said web enabling for MnSCU student services costs \$10 million and secures enhancements to the integrated student record system. O'Brien said, when completed, the enhancements allow student access to online payments, registration, advising and state-of-the-art electronic portfolio system. The demand for network connections is growing exponentially across the system, and \$5 million is needed for wide-area network expansion, said Niemi. Additionally, he said \$1 million is needed for data centers, and regional instructional technology centers will cost another \$4 million, he

said. Approximately \$1.65 million is requested for digital satellite capability as well as \$600,000 for instruction management systems, he said.

### K-12 policy bill heard

The Education Committee met Mon., Mar. 12, to hear and discuss proposed changes to the K-12 administrative policy bill.

Sen. Sandra Pappas (DFL-St. Paul), committee chair and author of S.F. 866, outlined the bill's proposed changes contained in the department's administrative policy bill. Among the changes are provisions under General Education that allow for withholding of state aid from districts violating federal or state law. Current law only allows the department to reduce aid. Other changes include an updated child care provider description. The new description is, "an individual or child care center or facility either licensed or unlicensed providing legal child care services." In the "self-sufficiency and lifelong learning" area, a qualifier was added for transitional housing participants and their length of stay. The new wording states that "for 50 percent of program participants, the length of stay is limited to" a period of up to 24 months.

She indicated that 2000 sparsity correction revenue is now available until June 30, 2001, under the bill. The bill also identifies the district's obligations as "tort judgements against the district that become final after the date the district certified its proposed levy in the previous year." The measure also states that commissioner approval is needed for districts to spread the levy for payment of tort judgements, up to three years.

Other technical changes were also made to articles one through three of the bill. The bill was laid over for further discussion.

### Panel discusses remedial education

The Education Assessment Subcommittee met Weds., Mar. 14, to discuss the assessment work group's findings. The mission of the work group is to link assessment testing in high school and higher education to reduce the need for remedial education.

Jessie Montano, CFL's teaching and learning assistant commissioner, said being accepted at a post-secondary school is different than being prepared for post

secondary education. "About 32 percent of the 1998 and 1999 high school classes who entered the MnSCU and University of Minnesota systems, participated in developmental or remedial courses," said Montano.

Leslie Mercer, from MnSCU, said "Many high school students would change their behavior in high school if they realized that community colleges have the same standards as universities and four-year schools."

Montano said, "Some high school's administer the College Board's Accuplacer [one of the placement tests used by MnSCU] to tenth graders in order to assess college readiness and allow sufficient time for them to take appropriate course work." Sen. Michelle Bachmann (R-Stillwater), said, "Why couldn't we use the Accuplacer again in grade 12?" Mercer said it is a timing issue because tests are needed early for preparation and late for college entrance. Montano said the work group

needs to look at what skills are provided in the Profiles in Learning. She said, "We believe the Profiles in Learning requirements are higher than in the Accuplacer test. We want to make sure we have a list of all the things we want students to learn so we don't set expectations too low," said Montano.

CFL K-12 and Higher Education Liaison Beth Aune said, "We want to make sure the higher education system is determining what level our students need to meet to be successful in college." She said the U. S. operates differently than other countries because U. S. higher education dictates what an acceptable education proficiency level is for post-secondary entrance. "The work group is not ready to recommend a simple answer," said Montano.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), subcommittee chair, said, "CFL is planning to go forward with another grade 11 test even though you're

putting assessment linking on hold." He said another grade 11 test with associated costs and another test in post-secondary doesn't make sense. Kinkel said, "The main purpose is still eluding us. Why can't we get a single assessment done that serves both purposes?"

Jerry Walseth, Brainerd School District superintendent, said the committee needs a year to examine several different tests and determine the costs so that the work group can recommend what is best for the state, students and education.

## E-12 Education Budget Division

### CFL special review heard

The Mon., Mar. 12, meeting of the E-12 Education Budget Division was dominated by discussion of the Legislative Auditor's investigative report regarding an alleged misuse of about \$90,000 received



*Members of the E-12 Education Budget Division listen to Legislative Auditor Jim Nobles on Mon., Mar. 12, as he presents a report on alleged improprieties in administering grant funds by the Dept. of Children, Families and Learning.*

Photo by David J. Oakes

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by the Department of Children, Families and Learning from the Pew Charitable Trusts via the Wilder Foundation. Legislative Auditor James Nobles said the charity wants \$90,000 of the \$1.5 million grant money returned. He said, "Pew's attorney said the reimbursement should include the portion of funds transferred or expended in violation of the purposes for which the grant was made."

He indicated the grant was intended to study and upgrade child-development and family services programs but at least five department employees allegedly diverted the money to the United Way of Olmsted County. Further, the money was transferred with no purpose other than to keep the money out of the general fund, said Nobles. He said, "Damage has been done with respect to Minnesota's relations with Pew and they will expect some trust-building before they go forward with more funding."

Sen. Michele Bachmann (R-Stillwater) said, "The department tried to evade accountability and controls attached to the money and it dealt dishonestly with two nonprofit agencies." Nobles said auditors will conduct a review of CFL's grant administration and other agencies in May.

In response to the auditor's report, CFL Deputy Commissioner Barbara Yates said, "The department agrees with the findings and I take full responsibility." She said, "I also apologize to the 550 CFL employees who are trying to do their work in a highly ethical manner." The department received federal dollars for an automated grant services system that will aid in ensuring this doesn't happen again, she said. Further, Yates said the department is conducting an investigation with the help of the Department of Employee Relations.

Sen. Martha Robertson (R-Minnetonka) asked if the department had a chance to isolate the Pew Trust issue. Yates said, "Yes, we've gone through all grants received by family services collaboratives and found no others." Sen. Jane Krentz (DFL-May Township) said, "I don't think this reflects on the department as a whole." She also said, "While the auditor's allegations are troubling, they appear to be limited in scope."

The committee also heard a bill extending integration revenue to the Wayzata School District for implementation of an integration plan. Sen. Martha

Robertson (R-Minnetonka), author of S.F. 328, said, as part of an NAACP litigation settlement agreement, the Minneapolis School District and surrounding districts are required to provide a determined number of open enrollment slots for students from families in poverty. She said that while the contiguous districts are receiving \$94 per student per year, Wayzata is not receiving any funding to aid in providing an integrated education that satisfies the needs of all students.

Robertson said the Wayzata School District has open enrollment for 92 students from North Minneapolis. This year, she said, there were 42 applicants for the slots and 22 of those registered for classes. Paul Beillfuss, superintendent of the Wayzata School District, said the district is trying to do the right thing. He said, "The driving force for me was a Wayzata Trojan Tribune (high school newspaper) interview that quoted a student responding to a question regarding the adequacy of the Wayzata High School education program. The student said the education at Wayzata High School didn't prepare students for diverse experiences, said Beillfuss.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chair of the division, said, "I don't understand why reimbursement goes to all pupils in the district and not just the students coming into the district."

Robertson said the funding was calculated by taking the dollars spent for pupil placement and using a formula for all school pupils so that an array of services could be funded. She said the formula funding addresses recruiting, staff development, inter-district student activities, transportation and after school programs that provide integrated learning experiences. The bill was laid over.

## Teaching initiatives presented

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Weds., Mar. 14, and heard presentations of the governor's initiatives for encouraging people to teach, legislation relating to technological and career training and a bill making non-mining secondary vocational training more widely available on the Iron Range.

Rose Hermodson from the Department of Children, Families and Learning brought forth the governor's plan to increase the number of teachers. The plan, Teachers for the 21st Century, has five

provisions. The first forgives the education loans or reimburses the tuition for licensed teachers who teach in areas with great teacher shortages. The amount of forgiveness or reimbursement may be up to \$2,000 per year of education, for up to 4 years. The second initiative gives up to \$2,500 per year to individuals in teacher preparation programs or completing a teaching residency. The alternative license and teaching academy program, the third part of the plan, allows people with four-year degrees in subjects where there is a teaching shortage, to teach in the needed subject area while working toward an educational license. The fourth provision in the governor's plan provides high school students, school volunteers and other people interested in pursuing a career in education who work for at least 10 hours a week in an educational setting with \$2,000 per year for up to 5 years. The money must be used to pay for college or teacher's training. The final element of the governor's plan is the mentoring and induction support program, which awards grants to school districts for teachers who mentor beginning teachers in schools with high levels of poverty.

Hermodson said, "We tried to be as broad as possible in laying out the plan so that it may be used as widely as possible, because what might work in one area won't work in another."

Hermodson also said the governor's plan includes measures to simplify teacher license renewals by streamlining the process and making the application available online. "Eight people touch every teacher license application," she said. With the new plan, she said, the process takes two to three weeks, one of the fastest application periods in the country.

Sen. Dallas Sams (DFL-Staples) presented two bills that promote career and technical education in secondary schools. The first, S.F. 1218, requires the Department of Children, Families and Learning to create standards for each career and technical program area. The bill also provides a three-tiered funding program that gives schools more money if they improve their programs through professional and leadership development.

The second piece of legislation authored by Sams, S.F. 1417, uses a different approach to encourage the development of technical education programs. The bill provides funding to

schools that allow students to achieve graduation standards through technical and career based classes. The bill specifies that the courses must also prove that the classes provide skills that are truly useful in industry settings and prepare students for post-secondary education.

Sen. David Tomassoni (DFL-Chisholm) presented S.F. 961, which appropriates \$300,000 to six districts on the Iron Range for providing new non-mining high school vocational programs delivered at post-secondary institutions. "It's been made painfully obvious by the closing of the LTV mine that the one thing that needs to be done on the Range is diversify the economy," he said.

Mark Lang, superintendent of Eveleth-Gilbert schools, said, "Our students need a refocus away from mining careers and mining technical courses." The money the bill appropriates would allow his school to cooperate with a local vocational school to provide training in areas such as entrepreneurship, mushrooming, robotics and medicine.

All the bills were laid over for further discussion.

## Higher Education Budget Division

### Health benefits discussed.

The Higher Education Budget Division assembled Mon., Mar. 12, to examine the rising cost of health care benefits for the University of Minnesota and Minnesota State Colleges and Universities.

Dave Haugen, assistant commissioner of the employee insurance division for the Department of Employee Relations (DOER), said that University and MnSCU employees are covered under the State Employees Group Insurance Program (SEGIP). He said SEGIP covers over 150,000 persons, including 12,000 MnSCU employees and 15,000 University of Minnesota employees. Haugen said DOER is projecting a 20 percent rise in the cost of health care. The skyrocketing cost of pharmaceuticals, the aging of the population, increase in demand and consolidation of health providers are combining to push the cost of health insurance to a new peak, he said.

The University of Minnesota is expecting a \$58 million increase in health care costs for the next biennium, said Dr.

Frank Cerra, vice president of University of Minnesota health services. The University plans to cover \$1.5 million of the extra health care costs through reallocating funds and \$9.8 million through raising tuition and requested an appropriation for the rest. The University requested the remaining \$47 million be paid for by a state appropriation, which was not included in the governor's proposed budget.

Cerra also said the University is considering opting out of SEGIP and has issued a request for proposals (RFP) for private health care plans. Sen. Deanna Weiner (DFL-Eagan), chair of the division, asked what kind of offer the University would accept. Cerra replied, "We really don't know. We have to get the responses to the request for proposals and then see." He said that Fri., Mar. 16 is the deadline for proposals.

Bill Tschida, vice chancellor for MnSCU human resources, said that MnSCU, unlike the University, is required to use the state program. He said MnSCU requested \$29 million to cover the inflation of health care costs. The governor has not approved the recommendation.

## Environment and Natural Resources

### Mercury ban approved

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), considered three bills Thurs., Mar. 8. S.F. 70, authored by Sen. John Marty (DFL-Roseville), bans the sale and distribution of thermometers containing mercury in Minnesota. Marty offered an amendment to exempt certain users from the ban. Under the amendment, mercury thermometers may still be used for food research and development, in animal agriculture control systems, and for calibration of other thermometers. The amendment was approved.

Marty cited health and environmental impacts of mercury as the reason for the bill. He pointed out that mercury thermometers may still be used under the bill, but new ones cannot be purchased. John Gilekson of the Office of Environmental Assistance said, "It's become clear to us that there are alternatives that are comparably priced for nearly every application."

Members adopted an amendment, offered by Sen. Leonard Price (DFL-Woodbury), clarifying that only thermometers manufactured after the effective date of the bill are banned for sale. The amendment allows antique dealers to continue selling collectibles, Price said. The bill was sent to the floor with a recommendation to pass.

S.F. 812, authored by Sen. Linda Scheid (DFL-Brooklyn Park), appropriates money for a Civilian Conservation Corps (CCC) worker statue. Scheid said the statue will cost approximately \$25,000. Ralph Johnson of the CCC Alumni Organization explained that the CCC was created by President Franklin D. Roosevelt to put young men to work during the Depression. The CCC built the DNR building on the state fairgrounds, he added.

Scheid said the Capitol Area Architectural and Planning Board will work with the CCC Alumni Organization if a site in the Capitol area is chosen. The organization has also considered placing the statue on the state fairgrounds, she said. The bill was sent to the Finance Committee with a recommendation to pass.

Sen. Dean Johnson (DFL-Willmar) presented S.F. 224, a bill exempting portable fish houses from licensing requirements. Johnson explained that licensing tags often fall off of portable fish houses, which are usually made of canvas. The bill reduces Game and Fish Fund revenues by \$553,000 per year, according to a DNR estimation. Steve Hirsch of the DNR Fisheries Division said the agency sells about 108,000 fish house licenses a year at a cost of \$11.50 each. Surveys show that about 40 percent of the licenses are for portable houses, he said, and the use of portable houses is increasing.

Krentz expressed concern about the total \$1 million impact on the game and fish fund for the biennium. She said she worked hard last session to secure an extra \$25 million for the fund and didn't like to see the amount reduced. Johnson agreed that the central problem is not the fee itself but the tags, and offered to work with the DNR to find a tag that works with portable fish houses. The bill was laid over.

### School air quality discussed

The Joint Children's Environmental Health Working Group, co-chaired by Rep. Kathy Tinglestad (R-Andover) and Sen. Jane Krentz (DFL-May Township),

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heard testimony on air quality and its effects on children Mon., Mar. 12.

Paula Maccabee of the Sierra Club spoke on general air quality issues. One major concern, she said, is benzene from vehicles, which is the chemical that causes the greatest cancer risk in children. She said Minnesotans should drive fewer miles in smaller vehicles. A second problem is particulate matter emissions from coal plants, Maccabee said. She said modern technology could significantly reduce coal plant emissions, but 75 percent of the state's coal plants were "grandfathered" in and don't meet new source performance standards.

Maccabee called on the state to set reasonable air quality standards. She pointed out that outdoor air quality influences indoor air, and that pollution is actually higher inside a car than outside during rush hour. Maccabee concluded, "The pollution from vehicles and coal plants are causing a significant decrease in the health of our children."

House researcher Tim Strom gave a summary of legislation that has been introduced regarding indoor air quality (IAQ). He said legislation in 1997 requires the Department of Children, Families and Learning to help school districts develop IAQ management plans.

Laura Oatman of the Health Department said air quality is a particular problem in schools because of the high concentration of people in the buildings. Science labs, vocational training areas and locker rooms also contribute to the problem, she said. Oatman presented Tools for Schools, a guide for developing an IAQ management plan that has been distributed to schools across the state. Rep. Jean Wagenius (DFL-Mpls.) called for immediate changes to certain easily solvable air quality problems, such as busses idling in lines or near air intake valves.

Phil Allmon of the Department of Children, Families and Learning (CFL) said the department has emphasized the need to address indoor air quality by threatening to withhold funds from schools if they don't implement an IAQ plan. Norm Chaffee, also of CFL, said air quality is not just a problem in old schools. New schools are sometimes built using cost-cutting measures and then need to be retrofitted to address air quality problems, he said. School districts also need to be sure to allow time for the air to clear of

contaminants before students enter a new facility, he said.

Professor Bill Angell spoke on the University of Minnesota Indoor Air Quality Project. He recommended a random survey of all schools and a commitment to maintenance and repair. Finally, Katy Boone, president of the Clean Air Group, briefly discussed a Minneapolis school, Whittier Community School for the Arts, that was built with a special focus on indoor air quality. The Clean Air Group is conducting a study to compare the air in the new school with an older control school, Boone said. Tinglestad said the working group will tour the school during the interim.

## DNR policy bills advance

Two Dept. of Natural Resources policy bills were the primary focus of discussion at the Tues., Mar. 13, meeting of the Environment and Natural Resources Committee. The two measures make a variety of changes in the statutes relating to departmental administrative policy and relating to water, respectively.

S.F. 1350, carried by Committee Chair Jane Krentz (DFL-May Township), makes six main changes to the DNR's administrative policy. First, the measure eliminates the requirement for possession of artistic stamps for turkey hunting and trout/salmon fishing. Krentz said that the increase in electronic licensing eliminates the need for stamps to be in the licensee's possession. However, the department is planning on continuing the art contests and offering the stamp on a voluntary basis for an additional \$2 fee, she said. Krentz added turkey hunters and anglers associated with trout and salmon fishing are supportive of the change.

A second provision clarifies the department's ability to contract with the Minnesota Historical Society for archaeological work performed for the department. An amendment, offered by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), adds tribal councils as an additional entity the department may contract with for archaeological services. The amendment was adopted.

The bill also allows local law enforcement units to carry forward unspent Snowmobile Safety Enforcement grants, clarifies that funds in the water recreation account, which are collected from operation fees, are appropriated for the statutory uses of maintaining and operating

the facilities and clarifies that funds collected in the snowmobile account may be used for the administration of appropriated grants to local law enforcement units.

The bill also reauthorizes the Citizen Oversight Committee for Game and Fish Fund, the Iron Range OHV Advisory Committee, the Minerals Coordinating Committee, the Minnesota Conservation Corps Advisory Committee and the Environmental Trust Fund Citizens Advisory Committee for four more years. All of the committees had been scheduled to expire this year, Krentz said.

Krentz offered two amendments, containing provisions from another bill relating to game and fish, to S.F. 1350. She said she was adding the language to the administrative policy bill in order to expedite the path of the game and fish bill through the committee process before the first deadline. The first amendment provides for cross-deputization between DNR conservation officers and tribal conservation officers. The second amendment sets forth requirements for commercial and recreational turtle licenses. The amendment also sets forth the allowable commercial equipment that may be used for taking turtles. Both amendments were adopted. The bill was approved and re-referred to the State and Local Government Operations Committee.

The DNR water policy bill, S.F. 1434, authored by Sen. Leonard Price (DFL-Woodbury), makes a variety of changes in statutes relating to waters. A provision, authorizing the department to issue administrative penalty orders for the administration and enforcement of water permit programs, sparked considerable discussion. Kent Lokkesmoe, representing the department, said that the use of administrative penalty orders allows the department to avoid issuing criminal citations and reduce the time needed for mediating disputes. Sen. Charles Berg (R-Chokio) argued that the ability to issue the orders granted too much power to the department. However, Sen. Dan Stevens (R-Mora), said that the way the language is crafted provides safeguards and that the real plus is keeping disputes out of criminal court. Stevens offered an amendment specifying that if the administrative law judge issues a report that recommends the dismissal of an administrative penalty order, the commissioner must refund the costs of the hearing and reasonable and necessary attorney fees to



the person receiving the order. The amendment was adopted. The bill was approved and advanced to the Judiciary Committee.

Members also approved a bill, S.F. 996, creating the Central Lakes Trail. The measure, sponsored by Sen. Cal Larson (R-Fergus Falls), specifies that the trail, which is using an old Burlington Northern Railroad corridor, start in Fergus Falls and extend through Grant and Douglas Counties to the eastern boundary of Douglas County. Larson said that eventually, the trail will connect with the Lake Wobegon Trail in Stearns County. Sen. Twyla Ring (DFL-North Branch) raised questions about the use of the trail by snowmobilers. Al Lieffort, representing Douglas County Parks, and Rick West, Otter Tail County engineer, said that meetings were ongoing with snowmobile associations and that maintenance of the trail was a concern. The bill was approved and re-referred to the Finance Committee.

S.F. 912, authored by Sen. David Tomassoni (DFL-Chisholm), was also approved and advanced to the full Senate. The bill authorizes the commissioner of transportation to allow two-way operation of snowmobiles on either side of a trunk highway right-of-way where the commissioner determines that two-way operation does not endanger users of the highway or snowmobilers using the trail.

### **Sunken log harvesting prohibited**

The Subcommittee on Public Lands and Waters of the Environment and Natural Resources Committee considered S.F. 1270 at an evening hearing Tues., Mar. 13. The bill, authored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), is intended to clear up a controversy generated by a bill passed last session that allows sunken logs, remnants of the logging of Minnesota's virgin forests a century ago, to be raised and removed from inland waters where they sank during the transportation process.

Three leases to raise logs have been granted since the bill was passed, Kinkel said, but the proposal has met opposition from residents of the lakes where log removal was proposed. Kinkel said his bill is a compromise that allows individuals to remove the logs if they receive local approval and prove that the project meets strict ecological criteria. The bill also provides funding for a study of the impact of raising logs. The DNR estimates such a study would cost \$400,000.

Bob Anderson, president of the Plantagenet Lake Association, spoke in opposition to the bill. He said legislative intent was that the DNR review log removal proposals but no ecological guidelines were set before leases were issued. He also objected to the fact that local residents were not informed of plans to raise logs.

Gene Bakke, also a Plantagenet Lake resident, said log removal could increase the level of toxins in the water by disturbing the lake bottom. Bald eagle, loon and otter populations would be negatively impacted, he said. He called for more information on the ecological impact of log removal before any projects go forward.

Gerald White, director of natural resources for the Leech Lake Band of Chippewa, said the tribe opposes any removal of logs for both environmental and historical reasons. He said, "For the Ojibway people, the logs are a reminder of the large scale theft of natural resources that occurred some 100 years ago. For the benefit of a few individuals this issue is not worth the price of environmental degradation."

C.B. Bylander, DNR regional director in Brainerd, said, "This program has become more costly and more controversial than we ever expected it would be." He said petitions are filed by residents wherever log removal is planned. The ecological criteria outlined in S.F. 1270 are so strict that they effectively prohibit any log removal, he said, and the costs of determining ecological impact are high. The DNR supports a repeal of the law and a prohibition of log removal activity, he said.

Craig Waddell, who has obtained a lease to raise sunken logs, spoke in opposition to the bill. He said he mortgaged his house to buy the equipment necessary to raise sunken logs. He also said lake development projects and residential activities, including roll-out docks and high horsepower boats, cause much more damage to lakes than raising logs does. "I have done construction jobs for Minnesota that suspend so much silt you can't see the bottom for weeks," he said. Raising a log causes about as much disturbance as dropping an anchor, according to Waddell.

Waddell asked legislators to either leave the law as it was originally passed or repeal it entirely.

Sen. Jane Krentz (DFL-May Township) offered an amendment to repeal the 2000 law and prohibit the raising of logs. She said she meant no criticism of Waddell, but a full repeal is the only feasible solution. The amendment was adopted. The bill was sent to the full committee with a recommendation to pass. Kinkel said he would work with Waddell to recover his losses in small claims court at the end of the session.

## **Environment and Agriculture Budget Division**

### **CREP funding heard**

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard testimony from supporters of the Conservation Reserve Enhancement Program (CREP) Thurs., Mar. 8. The committee also considered a bill, authored by Sen. Dennis Frederickson (R-New Ulm), appropriating money for the program.

Frederickson said his bill, S.F. 448, appropriates \$43 million in bond proceeds to purchase 100,000 acres of land along the Minnesota River Basin. CREP is a unique opportunity that matches 2.3 federal dollars to each state dollar spent acquiring easements, he added.

Marilyn Bernhardson of the Redwood Soil and Water Conservation District said, "CREP is the first program that offers us a permanent solution to improve water quality, to benefit the economy, and to help wildlife." She said many farmers are happy to receive fair payments for setting aside frequently flooded land, allowing them to "farm the best and buffer the rest."

Sen. Jane Krentz (DFL-May Township) said she is carrying a bill, S.F. 514, that uses general fund dollars, rather than bond sale proceeds, to fund CREP. This will prevent the program from falling prey to the governor's threat to veto a capital spending bill if the Legislature does not adjourn sine die, she said. Price said he hasn't met any Legislators opposed to CREP, and the only issue is to decide where the funding should come from. The bill was laid over.

In other business, members continued hearing the Minnesota Pollution Control Agency (MPCA) budget, presented by Deputy Commissioner Lisa Thorvig. Thorvig explained plans to consolidate environmental funds into a single flexible

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fund, the largest portion of which is funded by the Solid Waste Tax. Since businesses currently pay for more environmental programs than they are responsible for, she said, the change remedies the imbalance by making individuals responsible for a greater proportion of pollution control funding. "We need to start turning our attention to the smaller, more dispersed sources of pollution. As we're shifting that, it's not fair to rely on businesses as we have in the past," Thorvig said. She stressed that the current fee-based system is not working very well and something needs to be done to ensure funding for environmental programs.

Thorvig also detailed a request for \$500,000 to be appropriated from the Solid Waste Fund to cover overtime back pay owed due to a recent ruling regarding the Fair Labor Standards Act. She said the MPCA is the agency hit hardest by the ruling, and needs a special appropriation to avoid cutting staff and undermining environmental programs.

Finally, Thorvig explained the MPCA's role in the governor's multi-agency feedlot initiative, which also involves the Board of Water and Soil Resources and the Minnesota Department of Agriculture. She said the MPCA proposal has three parts: \$700,000 per year for cost-share for farmers, \$535,000 per year to counties for administration of delegated feedlot programs, and an annual appropriation of \$725,000 to provide staff for increased permitting and site review programs. The initiative is targeted at feedlots with between 300 and 500 animal units, Thorvig said, since they are required to come into compliance with new rules in a shorter period of time.

## MPCA budget review continued

The Environment and Agriculture Budget Division continued hearing the Minnesota Pollution Control Agency (MPCA) budget Tues., Mar. 13, as presented by Deputy Commissioner Lisa

Thorvig. Thorvig discussed the budget in the areas of water, air, land, and integrated environmental programs. Committee Chair Leonard Price (DFL-Woodbury) presided.

Thorvig said water programs have led to significant decreases in a number of monitored chemicals, but levels of nitrogen, which is primarily due to non-point pollution, has increased. She recommended increased funding for non-point source programs.

Thorvig mentioned two reallocations in the waters area. Point source and stormwater permitting activities need more resources, she said, because of increases in the number of facilities and the complexity of regulations. The MPCA budget proposes a reallocation of \$1.7 million for the biennium from the environmental fund to stormwater programs.

A second reallocation, Thorvig said, involves the transfer of \$100,000 per year from the environmental fund to the Lake Superior Lakewide Management Plan



Visitors paid their respects to former Gov. Harold Stassen as they filed past his casket in the Capitol rotunda on Fri., Mar. 9.

Photo by David J. Oakes

(LaMP). Toxic chemicals easily accumulate to high levels in the Lake Superior food chain, Thorvig said. Under the plan, she said, the states and provinces that border Lake Superior will work toward a goal of zero discharge of nine chemicals, including DDT and dioxin.

Air pollution programs have been successful, Thorvig said, since nearly all areas in Minnesota meet federal clean air standards. However, she said, new standards for particulate matter and ozone are a concern. The agency plans to reallocate money from the Environmental Fund for three full time equivalent employees to address air toxics issues, particularly the pollution caused by mobile sources such as cars and trucks. Thorvig also mentioned that the LTV mine closing creates a \$330,000 reduction in air emission fee revenues, further straining the agency's budget.

Land programs work to ensure uncontaminated land and groundwater, Thorvig continued. "The state's progressive laws and innovative strategies have made Minnesota a national leader in this area," she said.

Thorvig gave an update on the listed metals program, which works to reduce mercury, lead, cadmium and hexavalent chromium in certain products. She said the advisory council finished a product review 5 years ahead of schedule and is recommending a ban of 22 products for a reduction of 88,600 pounds of listed metals in Minnesota.

Finally, Thorvig gave an overview of integrated environmental programs, which promote a healthy overall ecosystem. "We recognized the need to view the environment holistically and balance air, water and land programs," she said. She said the program area provides training to individuals affected by regulations and administers clean up activities for closed landfills and leaking underground tanks. A budget problem involves total maximum daily load studies on bodies of water, she said, since funding is decreasing as the number of water bodies needing studies increases.

Thorvig discussed a reallocation of \$180,000 from motor vehicle title transfer fee proceeds to continue the malformed frog program. She said the funding provides for regular monitoring and collection of frogs, which supports a national research effort.

## **MPCA budget review concluded**

Deputy Commissioner Lisa Thorvig finished presenting the Minnesota Pollution Control Agency (MPCA) budget to the Environment and Agriculture Budget Division Weds., Mar. 14. Committee Chair Leonard Price (DFL-Woodbury) presided.

Thorvig discussed several budget issues in the integrated environmental programs area. The agency proposes a \$1 million reallocation, she said, for a monitoring and data access initiative in the Upper Mississippi Basin. Thorvig said water quality in the Upper Mississippi area is generally good, but there is increasing pressure from development and from citizens who want accurate data. The funding will purchase monitoring equipment and create an integrated data system, she said.

Sen. Linda Higgins (DFL-Mpls.) expressed concern about the fact that funding for the program is reallocated from Superfund cleanup activities. Thorvig said completion of cleanup for low-priority sites will be delayed four years to 2010 because of the reallocation.

A second budget issue, Thorvig said, involves bonding for the closed landfill program. She said the Legislature authorized \$90 million in bond funds in 1994, but required that they be sold in increments over a six-year period. However, she said, a statutory change since 1994 requires that all unspent bonds be canceled unless reauthorized, and so the unsold bonds have been recommended for cancellation. If the Legislature does not reauthorize bonding, Thorvig said, \$42.5 million will have to be taken from other funds.

Finally, Thorvig discussed the administrative support budget. She said the agency proposes a nine percent decrease in the area to correspond with the nine percent cut in environmental programs.

Price asked about the agency's fallback plan in case the proposed reallocations and the environmental tax reform are not approved. Thorvig said 15 more full time equivalents would have to be cut, and water quality programs will be hit hardest if reallocations are not approved.

Price opened up the floor to anyone who wished to comment on the MPCA budget. Paula Maccabee spoke for the Sierra Club. She pointed out that general

fund spending is up ten percent in the governor's overall budget but spending in environmental programs is down two percent. "We don't feel that sends the right message about Minnesota," she said. She said programs like hazardous waste cleanup are not something citizens can purchase with a tax rebate.

## **Health and Family Security**

### **Twelve bills heard**

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Mar. 12, to consider twelve bills.

Sen. Arlene Lesewski (R-Marshall) presented S.F. 876, a potluck-related measure that she said is a clarification to the potluck bill enacted last year. The bill defines "schools" as a public school, or a nonpublic school, church or religious organization at which a child is provided with instruction. The measure permits schools to sponsor and hold potluck events on premises, provided that the school's kitchen is licensed as a food and beverage service establishment. The bill was approved and advanced to the floor.

S.F. 1145, authored by Sen. Jane Ranum (DFL-Mpls.), adds new provisions to the Child Abuse Reporting Act. Under the bill, a child maltreatment review panel is created, based on the vulnerable adult maltreatment review panel. Other provisions relating to maltreatment of a child in a facility require training in the ways to conduct investigations and set forth the review process.

According to Ranum, at least one child has already died in Minnesota due to the improper use of restraints and others have been injured. Two mothers testified concerning serious injuries their children sustained, including a broken femur, while in a day care and a respite care facility.

An amendment was adopted to clarify definitions and to conform to current practice in internal reporting procedures. The measure was approved and re-referred to the Judiciary Committee.

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 574, a bill to amend the home care bill of rights. The measure allows a person receiving home care services the right to at least 15 days' advance notice of service termination, provides a 5 percent reimbursement increase under state health care programs for home care services and specifies that at

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least 80 percent of the new revenue must go to employees other than the administrator and central office staff.

Sen. Sheila Kiscaden (R-Rochester) offered an amendment to delete the portion of the bill addressing increases in Medical Assistance, General Assistance and MinnesotaCare reimbursements for home care services because similar language is provided in another bill. The measure was approved and referred to the floor.

A second measure, S.F. 1187, was presented by Kelley. He said, "The bill does two things. It raises the civil penalties from \$5,000 to \$7,500 that the Board of Psychology may impose as a penalty and provides forms of disciplinary action that the board may impose." Additionally, the bill sets a seven year statute of limitations on actions of the board for alleged misconduct complaints, he said. The bill was approved and re-referred to the Judiciary Committee.

S.F. 715 was presented by Sen. Leo Foley (DFL-Coon Rapids). The measure changes the child support work reporting system by changing sanctions to employers who fail to report a newly hired or rehired individual. The bill addresses situations in which an independent contractor is hired by a contractor and paid in cash, allowing the independent contractor to hide income that might be available for child support payments, Foley said. Sen. Pat Pariseau (R-Farmington) said she objected to the bill because she thought it was an unreasonable requirement for contractors, involving too much paperwork. Sen. John Hottinger (DFL-Mankato) said, "Contractors already have to submit 1099s, so there is already a reporting procedure in place." An amendment was adopted to allow public child support authorities to exchange private data with the Department of Economic Security and the Department of Revenue. The measure was approved and re-referred to the Judiciary Committee.

Kiscaden presented S.F. 1167, a bill that allows tax credits against the total amount of taxes owed under the MinnesotaCare provider tax. Kiscaden said the tax revenues are intended as an economic driver to sponsor biomedical research. Currently, the credit is limited to 2.5 percent of revenues for patient services used to fund expenditures for qualifying research for calendar year 2001. The bill increases the credit to 7.5 percent. The

bill was approved and re-referred to the Finance Committee.

Kiscaden also authored S.F. 880, a bill that changes provisions for licensing background studies. "This is a general licensing division department bill affecting vulnerable persons," she said. Under the bill, procedures are outlined for monitoring, reviewing, reporting and remedying cases of maltreatment. The measure came about following a legislative directive aimed at avoiding duplication of actions by the Department of Human Services and the health-related licensing boards. Under the directive, the commissioner of human services was required to make recommendations regarding the coordination of investigatory and disciplinary activity related to the disqualification of health care professionals.

A provision makes changes to the data practices act and allows non-public data, including the name of a perpetrator, to be exchanged with the commissioner of health for purposes of background studies and allows specified types of information made accessible to other related agencies in cases of substantiated maltreatment. Another portion of the bill clarifies jurisdictions between the health-related licensing board and the commissioner of human services in making determinations as to whether or not regulated persons should be subject to disciplinary action as a result of substantiated maltreatment cases.

A witness representing Care Providers Minnesota spoke in opposition to the bill. She said the portions defining "neglect" are ambiguous and would make it even more difficult to attract healthcare workers to the profession. The bill was approved and re-referred to the Judiciary Committee.

S.F. 956, authored by Sams, increases the Prepaid Medical Assistance Program (PMAP) contract rates for Medical Assistance and General Assistance Medical Care in non-metropolitan counties to no less than 95 percent of the rates for metropolitan counties, excluding Hennepin County. The measure also requires the prepaid health plans to use the revenue received from the increase in capitation rates to increase the reimbursement rates to providers under contract serving enrollees from non-metropolitan counties. The bill was approved and re-referred to the Finance Committee. Sams said that S.F. 948 is related to the previous

bill. The measure requires hospitals located outside the Metro Area to be reimbursed at the average metro rate for certain services provided to public healthcare program recipients. Members approved the bill and re-referred it to the Finance Committee.

S.F. 1127, carried by Sams, modifies the frequency in which a physician assistant's prescribing activities must be reviewed. A provision specifies that a supervising physician must retrospectively review the prescribing activities of the assistant on a weekly basis. The bill was approved and advanced to the floor.

Sams also presented S.F. 1128. The measure authorizes the Emergency Medical Services Regulatory Board to waive the staffing requirements for a basic life support ambulance if the board finds that the requirements create a hardship for the ambulance service. Currently, the staffing requirement for a basic life support ambulance is two ambulance service personnel, one of whom must be an emergency medical technician (EMT). Sams said the bill allows First Responders to substitute for EMT's. An amendment was adopted to specify that the board may grant waivers to the staffing requirements only for ambulance services operating outside the Metro Area. The bill was approved and referred to the floor.

Sen. Becky Lourey (DFL-Derrick), presented SF. 697, a measure requiring the commissioner of health to create a model notice recommending periodic well testing for all households that use wells for drinking and food preparation. Lourey said the bill has already passed the House Health Committee, but the bill was laid over for further consideration.

## Children's mental health discussed

A joint workgroup on children's mental health, hosted by the Senate Committees on Education and Health and Family Security, met Mon., Mar. 12. Sen. Julie Sabo (DFL-Mpls.) chaired the workgroup that included members from both Senate and House chambers.

The first item of business involved a discussion of S.F. 1058, a bill carried by Sabo that addresses plans for the prevention and early identification, referral and treatment of children's mental health disorders. Under the bill, preassessment team responsibilities are outlined and grants are provided to guide management of secondary students' mental health disorders.

The group modified definitions and clarified language in the bill. Sabo said that schools are intervening and addressing a broad spectrum of behavioral, mental and emotional disorders under special education mandates because there is currently no alternative. She said that many children have problems that don't qualify as learning disorders and that special education programs don't necessarily meet their needs. Sen. Martha Robertson (R-Minnetonka) said that once children get into special education programs, they tend remain in them. "We need to be very careful about how we classify problems because once children fall under mandated special education requirements, it becomes very expensive," she said. Under the bill, preassessment teams, composed of classroom teachers, administrators, a mental health coordinator and other school professionals review reported cases of chemical abuse and mental health disorders and make recommendations for referral to appropriate school or community services. Rep. Mindy Greiling (DFL-Roseville) said the bill is intended to channel only the most urgent cases to the preassessment teams.

Bill Connelly from the Mental Health Association provided an overview of S.F. 754, a comprehensive mental health bill authored by Sen. Linda Berglin (DFL-Mpls.). He said the bill addresses suicide prevention efforts in the schools through implementing suicide education plans. Under the bill, the commissioner of public safety is prohibited from reporting data on suicides and attempted suicides as crime statistics. The bill establishes discharge procedures for mentally ill inmates in correctional facilities to help them make the transition to community-based mental health services and establishes two pilot projects for transitional housing support for discharged inmates. Other portions of the bill include the realignment of financing to support best practices in community-based services, a provision to increase Medical Assistance rates for community mental health services and providers. Medical Assistance rates are also increased for crisis and emergency services funding for children and adults experiencing a mental health crisis.

### **Dental initiatives advance**

Two bills aimed at improving access to dental services and attracting more dentists to practice in some parts of the

state dominated the discussion at the Weds., Mar. 14, meeting of the Health and Family Security Committee. The committee, chaired by Sen. Dallas Sams (DFL-Staples), also began hearing two bills designed to address the high costs of prescription drugs.

The dental services initiatives, S.F. 1361 sponsored by Sen. Becky Lourey (DFL-Kerrick) and S.F. 1331 authored by Sen. Sheila Kiscaden (R-Rochester), were both approved by the committee.

The committee adopted an amendment that includes portions of another dental initiative, S.F. 644, authored by Sams. The amended bill creates a loan forgiveness program for dentists who agree to provide services to public assistance participants and low and moderate income individuals. The measure also provides dental access grants and creates a dental access advisory committee. In addition, the bill increases the reimbursement rate for dental care providers for diagnostic examinations and dental x-rays for children to the submitted charge or 85 percent of the median 1999 charges, whichever is lower. The measure also provides that the commissioner must carve out dental services from PMAP contracts in several counties for a demonstration project that provides for contracting for dental services on a prospective per capital payment basis or establishes a fee-for-service system for the reimbursement of dental services.

Lourey said that originally the bill called for larger reimbursements for more procedures, but that in light of budget realities, the measure has been scaled back. Dominic Sposeto, speaking for the Minnesota Dental Association, spoke in support of the measure. Sposeto said that the bill maintains access to dental service and maintains a safety net, but does not provide great increases in access.

The measure was approved and re-referred to the State and Local Government Operations Committee.

The second bill, S.F. 1331, authored by Kiscaden, also seeks to improve access to dental services. Kiscaden said that the bill contains some of the recommendations of the Dental Access Committee, but also addresses workforce issues by creating a new level of dentistry. Under the bill, the Board of Dentistry is directed to develop a new category entitled "dental restorative practitioner" to perform specific technical tasks in collaboration with a licensed

dentist. She said that provision of the bill does not have universal support, but that it is a way to address the critical shortage of dentists.

The bill also provides for a dental practice donation program whereby a dental practice located in an underserved area of the state may be donated to the commissioner of health for use by a dentist that has entered into an agreement to practice at the donated practice site. The dentist who donates the practice is eligible for a charitable deduction under state and federal law and the dentist who accepts the practice, upon completion of a five year agreement, owns the practice.

In addition, the bill authorizes dental hygienists to perform services, under general supervision of a licensed dentist, at a health care facility such as a hospital; nursing home; home health agency; group home servicing the elderly, disabled or juveniles; a state-operating facility and local public health facilities. Kiscaden said allowing the hygienists to perform hygienist services at other sites provides a "front door to dental access."

The bill also establishes a retired dentists program and clarifies Medical Assistance reimbursement for certain dental services.

Testimony on the bill centered on the provision creating the dental restorative practitioner category. Marshal Shragg, representing the Board of Dentistry, said the board is concerned about the training and competency of persons other than a dentist performing a procedure that is not reversible. Dick Diercks, executive director, Minnesota Dental Association, said that the association supports the bill with the exception of the new auxiliary category. Kiscaden responded that the restorative practitioner category is to be studied and designed by the Board of Dentistry and that there is room to alter the scope of duties.

The bill was approved and re-referred to the Higher Education Budget Division.

The two bills relating to prescription drug prices approach the problem from different directions. Sen. John Hottinger (DFL-Mankato) said that S.F. 765 requires the commissioner of human services to administer a drug rebate program for drugs purchased under a fair drug pricing program created by the bill. The bill requires the commissioner to require a rebate agreement from all manufacturers of drugs covered under the Medical Assis-

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tance program. Further, the bill requires the rebate amount to equal the rebate provided through the federal rebate program. Hottinger said that the rise in prescription drug prices is stark and dramatic and is fueled by increased demand which, in turn, is spurred by increased expectations on the part of consumers and direct marketing on the part of manufacturers. Hottinger said the bill is fashioned after a similar measure in Maine, but that it is not an exact replica. "The bill before you does not have price controls," he said. Hottinger added that the measure is an attempt to provide leadership in an area that the federal government has not acted upon.

The second bill, S.F. 526, authored by Sen. Dick Day (R-Owatonna), requires pharmacies to charge Medicare beneficiaries a price for prescription drugs that does not exceed the Medical Assistance reimbursement rate. Day said that the high price of prescription drugs is an area of great concern to senior citizens and that the bill is a simple, clean approach to the problem. He said that members will hear criticism of the bill because it harms small pharmacies, but the fact is that small pharmacies have already been harmed with the advent of the large chain stores that offer pharmacy services.

Both measures were laid over for further testimony and discussion.

## Health, Human Services and Corrections Budget Division

### DHS budget reviewed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Thurs., Mar. 8, to continue reviewing the Department of Human Services (DHS) budget.

Assistant Commissioner Erin Sullivan Sutton presented the budget proposal for the children's grants program. The program works to provide services for foster children and their families, she said. According to the proposal, funding is needed continue programming to establish permanent homes or implement family reunifications for approximately 1,750 abused and neglected children. DHS staff works with birth parents to help them modify behavior in cases where children are removed from their homes because of abuse or neglect. The policy is to focus

on efforts to reunite families. In cases where it is determined to be unsafe for children to return to their homes, staff work to find alternative safe, permanent homes. An increase of \$4.65 million in Temporary Assistance to Needy Families (TANF) funding—transferred to the Federal Title XX Social Services Block Grant—is recommended for the biennium.

Another initiative provides adoption assistance funding involving children who are wards of the state. According to Sullivan Sutton, support is needed for adoptive families who cannot afford the often serious medical and other needs of their adopted children. Adoptive parents of 4,169 Minnesota children with special needs were receiving adoption assistance in September of 2000, Sullivan Sutton said. The proposal recommends an increase of \$8.378 million for FY 2002 and \$12.284 million for FY 2003 for assistance to adoptive parents and legal custodians.

Assistant Commissioner of Health Elaine Timmer said that the state operated services division (SOS) provides a safety net of services for persons with disabilities that are provided at campus-based regional treatment centers and state operated programs and residences located in communities. The Minnesota sex offender program treats individuals committed as sexual psychopaths and/or sexually dangerous persons and is included in state operated services.

The division provides a full range of services required of licensed psychiatric hospitals, including chemical dependency treatment programs, nursing homes, intermediate care facilities for the mentally retarded and adult foster homes. The administration recommends an SOS budget of \$286.334 million for FT 2002 and \$281.659 million for FT 2002. Timmer said that the SOS budget has declined and staff reduced by 32 percent since 1991.

Addressing the basic health care grants portion of the budget, Assistant Commissioner Mary Kennedy said the division purchases medical services for lower income families with children, elderly Minnesotans and persons with disabilities. Medical Assistance, General Assistance Medical Care and MinnesotaCare assistance fall under the aegis of the health care grants division. The administration proposes to increase funding by 25 percent over the 2000-2001 biennium budget,

partly due to decreases in the federal share of Medical Assistance funding.

Kennedy said the proposal recommends an increase of \$4.252 million in FY 2003 and an increase in the Health Care Access fund budget of \$588,000 in FT 2002 and \$8.997 million in FY 2003 to provide health care coverage to more low income children. She said that reducing the number of uninsured children has been a major goal.

### Children's hospital funded

S.F. 857, authored by Sen. Don Samuelson (DFL-Brainerd), modifies provisions of the 2000 bonding bill to fund a building project at Gillette Children's Specialty Healthcare, at the Tues., Mar. 13 meeting of the Health, Human Services and Corrections Budget Division.

Samuelson said that funding problems arose related to legal issues after appropriating money for the hospital project last year. The appropriation is not available until the commissioner of finance determines that at least \$7 million has been committed to the project by nonstate sources, according to a provision in last year's bill. A provision was added in S.F. 857 to specify that the appropriation may be used for project expenses that have not been counted as part of the local match and that have been incurred since June 1, 2000.

He said the bill authorizes the transfer of funds from general fund obligation bonding to general fund cash. The bill also appropriates money to match federal funds for local bridge replacement and rehabilitation. Under the bill, the commissioner of finance is authorized to sell and issue bonds in an amount up to \$419.871 million from the bond proceeds fund. Sen. Linda Berglin (DFL-Mpls.), chair of the committee, said it is urgent that the bill be passed before the end of the session. Members approved the bill and referred it to the full Finance Committee.

Sen. Linda Higgins (DFL-Mpls.) authored S.F. 244, a bill that modifies a \$375,000 general fund appropriation that was contained in the 1998 bonding bill. Originally, the money was designated for a grant to Hennepin County to purchase and improve an existing building to be used by the People, Inc., North Side Community Support Program for a homeless outreach project. Tim Burkett, representing People,

Inc., said that the number of clients served by the entity has grown tremendously and the money that was originally bonding money is being transferred to a cash fund. The bill makes the grant available directly to People, Inc., and deletes the reference to Hennepin County. An amendment specifies that the grant be used to purchase, remodel and complete accessibility upgrades to an existing building or to acquire land or construct a building to be used by People, Inc., which may provide office space for state employees. Program Director Joan White said, "We need a more spacious area to address the needs of the homeless so they can learn skills for reintegration into the community." Members approved the bill and referred it to the full Finance Committee.

The remainder of the meeting was taken up with a budget overview by the Dept. of Human Services.

## **DWI .08 alcohol bill discussed**

Following a continuation of budget reviews by the Department of Human Services, the Health, Human Services and Corrections Budget Division discussed the fiscal ramifications of S.F. 118, authored by Sen. Leo Foley (DFL-Coon Rapids). The committee, chaired by Sen. Linda Berglin (DFL-Mpls.), met Weds., Mar. 14, to consider a total of five bills.

In regard to S.F. 118, a bill that lowers from 0.10 to 0.08 the per se alcohol concentration level for impairment driving offenses, Foley said the cost impacts a wide range of government entities at state and local levels and includes costs for courts and judges, probation officers, attorneys, jails and prisons.

Agencies presented information to guide the committee in determining cost estimates related to the bill. The Department of Public Safety (DPS) and the Department of Natural Resources (DNR) estimate that there will be 1,570 (1,550 driving and 20 boating/snowmobile) additional DWI arrests under the bill. The Minnesota Sentencing Guidelines Commission (MGC) reports that there will be an estimated 86 percent conviction rate with 75 percent being first-time offenses (misdemeanor convictions) and 25 percent repeat offenders (gross misdemeanor convictions), which will impact local jurisdictions. The Department of Finance estimates that costs to cities and counties, as a result of the bill, at \$949,815

for FY 2002 and \$1.215 million for FY 2003. Legislative analysts estimate that the bill will cost the general fund a total of \$1.8 million for FY 2002 and FY 2003. Foley said that if the bill is not enacted, the federal government will cancel approximately \$60 million in highway funding through the year 2007 and that if enacted, federal incentive money of approximately \$9 million will be available to the state through FY 2004. However, the funds are not available to offset the costs of the bill, he said.

Sen. Dan Stevens (R-Mora) said, "I have a real problem with the federal government withholding money from states to affect policy and overstepping with incentive money." Foley said that the U.S. Supreme Court has ruled that the federal government is legally sanctioned in this regard.

Kevin Corbid, policy analyst for the Association of Minnesota Counties, said the federal incentive money can funnel through the Minnesota Department of Transportation to counties, but it cannot be used for court and corrections costs. Corbid said he was concerned about the combined effects resulting from the possible passage of the proposed felony DWI bill in combination with the DWI 0.08 bill. He said the combined bills could result in large expense additions for counties.

The bill was laid over for further discussion.

Sen. Deanna Wiener (DFL-Eagan) presented S.F. 837, a bill to appropriate money for community corrections subsidy grants. The grants are for sex offender treatment and community corrections productive day initiative programs.

An amendment was adopted to appropriate money from the general fund for grants to increase supervision and treatment of sex offenders who are on probation, intensive community supervision, supervised release or intensive supervised release. The amendment specifies that caseloads must average 35 offenders and that each Community Corrections Act (CCA) jurisdiction receive grants based on statewide need, determined by planning and analysis supervised by the commissioner of corrections.

Wiener said that jails and probation systems are stressed due to increased probation loads, downward departures of

sentences and flat subsidies from the state since 1997. The bill was laid over for further consideration.

Berglin presented S.F. 161, a measure to appropriate money for grants related to restorative justice programs that offer mediation efforts for victims and offenders. Berglin offered a report indicating that participation in victim-offender mediation significantly reduces recidivism. S.F. 161 appropriates money from the general fund for grant awards to be distributed among rural, suburban and urban organizations operating restorative justice programs. Under the bill, preference is given to programs that are currently operating successfully, are community-based and are supported by both private and public funding.

Gena Gerard, Central City Neighborhoods Partnership, said that she has worked in restorative justice programs in Minneapolis and has found them to be effective in terms of cost, community cohesion and decreased recidivism.

Berglin said that in the Canadian provinces, restorative justice programs have been so successful that many juvenile detention facilities have closed. In the past, she said, the state has provided approximately \$1.7 million for programming and that most of the program funding is provided by local government and other sources. The measure was laid over for further consideration.

Berglin also presented S.F. 575, a bill that reduces provider surcharge billings by \$400,000 for each of the next four fiscal years to offset a \$1.6 million error in the amount collected from a healthcare system. Berglin said the bill addresses an error made in collecting Medical Assistance surcharges. The bill was laid over.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 689, a bill authored by Sen. Dallas Sams (DFL-Staples), to expand Medical Assistance coverage for breast and cervical cancer treatment. Lourey said the bill is for women with cancer who do not have other health care coverage regardless of income or assets.

The bill specifies screening requirements and appropriates money from the general fund to the commissioner of human services. Lourey said the bill impacts approximately 40 women and costs an estimated \$647,000 for FY 2002 and \$748,000 thereafter. The bill was laid over for further discussion.

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## Jobs, Housing and Community Development

### Three bills okayed

The Jobs, Housing and Community Development Committee convened Fri., Mar. 9 and voted on bills that grant employees who donate organs time off from work, fund redevelopment projects and assist microenterprises. Sen. Ellen Anderson (DFL-St. Paul) chaired the meeting.

Sen. Linda Scheid (DFL-Brooklyn Park) presented S.F. 989, which requires employers with more than 20 employees to give 40 hours of paid leave to workers who donate their organs. Currently, a similar provision exists for bone marrow donors, but not for organ donors.

Cheryl Jacobs, who counsels people who are donating organs, said that a study done in 1999 found that 47 percent of donors had to use up their sick leave. She also said that in 1993, 23 percent of people in a survey cited the cost of donation as a reason not to give organs.

Jacobs said, on average, employees who donate organs miss four to six weeks of work while recovering. Several organ donors testified about the length of time needed to recover from the operation. "I don't think 40 hours is enough," said Joan Gorman who took a month off from work last year to recover from a kidney donation. Randall Callies said he could not work full time for six weeks after donating an organ to a friend.

Sen. Martha Robertson (R-Minnetonka) proposed an amendment that increases the amount of time the bill requires employers to give to employees who donate organs from 40 hours to 30 paid working days. The amendment was adopted. S.F. 989 was recommended to pass and re-referred to the Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) carried S.F. 288, which appropriates money to the commissioner of trade and economic development for redevelopment grants. "The bill provides assistance to older cities in recycling their land," he said. The grants fund clean-up activities, including demolition and environmental infrastructure improvements, to blighted properties, such as old industrial, residential and commercial properties.

Louis Jambois from the Department of Trade and Economic Development said

that since the redevelopment fund was created in 1998, 34 areas, totaling 319 acres of land, have been redeveloped. He said the redevelopments have attracted businesses to purchase the land, stimulated

\$402 million in private investments and increased the tax base by \$8.3 million.

The committee recommended the bill to pass and re-referred it to the Finance Committee.



*Members of the Mexica Multicultural Dance Troupe provided noontime entertainment for 2001 International Year of Volunteer participants in front of the Capitol on Weds., Mar. 14.*  
Photo by Shelley Hawes



Sen. Linda Higgins sponsored S.F. 1027, which appropriates funds to the commissioner of trade and economic development for grants to nonprofit organizations that provide technical assistance to businesses with five employees or less. The money is provided to organizations that submit proposals to the commissioner, and a preference is given projects that benefit women, minorities, and low-income communities.

John Flory from the Whittier Community Development Corporation said, "The program is real economic development, not a social service program." He said the grants allow community development organizations to provide training to clients who receive grants to start businesses. "Getting financing is only one piece of success," he said. "But if we don't provide technical assistance, training and consulting, the results will not be as positive."

The committee approved S.F. 1027 and re-referred it to the Finance Committee.

## Employer liability debated

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), convened Weds., Mar. 14, and heard legislation concerning employer liability.

S.F. 67, authored by Sen. John Marty (DFL-Roseville), permits employees who suffer severe injuries at work due to repeated violations of Occupational Safety and Health Administration (OSHA) rules or willful neglect to sue their employers. Employees can only sue if their injuries result in \$100,000 in medical fees and 52 weeks of lost work time. The legislation also allows employee's heirs or next of kin of employees killed on the job due to willful neglect of employers or repeated violations of OSHA standards to sue employers.

Currently, Marty said, if an employee is seriously injured at work they are paid a lump sum of money under workers' compensation that is not dependant on the seriousness of the injury, and if an employee dies, the heirs or next of kin receive a lump sum. He said the company is only responsible for paying an OSHA fine. Marty said that currently, injured employees cannot sue for the cost of medical care from employers who are willfully neglectful or repeatedly violate OSHA laws, and the next of kin or heirs of employees who are killed due to OSHA violations cannot sue. Margaret Randel, whose son Patrick

Randel suffocated to death at the age of 19 in a man hole because of his employer's neglect of safety measures, received \$3,600 from OSHA and was unable to sue for more compensation. "To me," she said, "it says that my son is worth \$3,600."

Randal said that if the company could have been held liable for the injuries and death of its employees, they would have taken greater safety measures and possibly saved her son's life. "Companies need to be held responsible for compliance and safety practices," she said. Laura Waldon, a friend of Patrick Randal, said, "Companies can squeak by because they cannot be sued. There is no accountability and employees go unprotected."

Several witnesses expressed concern about changing Minnesota's workers' compensation laws. Beth Hargarten from the Department of Labor and Industry said, "No states allow people to sue for additional benefits from workers' compensation." She also said, "Courts recognize the need to keep workers' compensation intact."

Tom Hesse, representing the Minnesota Chamber of Commerce, said, "The bill does undo the foundation of the workers' compensation system the state has." He explained that workers' compensation provides an exclusive compensation to harmed workers and that making broad exemptions to the universal standards defeats the purpose of the law.

Marty reminded the committee that the law does not allow employees to sue whenever they are severely injured at work, but only in cases that involve employers who willfully neglect the law or repeatedly violate OSHA regulations. "The bill is closely tailored to the issue at hand," he said. Brad Lehto, representing the AFL-CIO, said, "The bill harms bad employers and doesn't hurt good employers."

Liz Lambrecht, whose son died after falling from an unsafe skylight while repairing a roof, said that the bill does not affect many employers. She said that in 2000, OSHA found only 20 employers guilty of willful neglect and 46 guilty of repeated offenses.

The committee amended the bill to include only injuries which are due to violations caused by the employer.

The committee approved S.F. 67 and advanced it to the floor.

The committee also voted to okay three other bills concerning labor. The first, S.F. 1371, authored by Sen. Martha

Robertson (R-Minnetonka), eliminates the special treatment of search firms and allows them to be regulated equally to other employment agencies. The bill was re-referred to the Finance Committee.

Sen. Linda Higgins (DFL-Mpls) offered S.F. 1344. The bill prohibits employers from changing, after the termination of employment, the way they reimburse employees for commissions that are earned and unpaid. "The payment of commissions after termination of employees must stay the same and be based on the arrangement already agreed upon by the employer and employee," Higgins said. The bill also makes companies pay for background checks if they are required from job applicants. "Prospective employers go to the job interview and the employer says, 'Yes, everything looks great, but we do need \$30 for a background check.' But no check is done and there is no job," said Higgins. The bill was amended to exclude people applying to jobs in public schools, which are required to do background checks. The committee okayed the bill and sent it to the floor.

Higgins also brought forth legislation that clarifies which employers must establish safety committees in their workplaces. Currently, all employers with 25 or fewer employees must have safety committees. The bill, S.F. 1429, makes all employers with 10 to 25 employees responsible for having safety committees. The bill was approved and sent to the floor.

## Judiciary

### Medical data bill debated

A bill expanding protection for information shared by medical institutions set off debate at a Judiciary Committee meeting Tues., Mar. 8. The committee also took up a bill modifying the provisions under which a person may be civilly committed for mental illness.

The medical data sharing bill, S.F. 560, is authored by Sen. Dallas Sams (DFL-Staples). The bill allows for the creation of a system for the sharing of health care data electronically to study trends in medical error or injury caused by physicians. The bill specifies that the data may be released only if names of persons involved are not included. Data covered by the bill is also granted existing protections for "peer review" information, including inadmissibility as evidence in

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court proceedings. Sams said peer review protections exist to help health care providers learn from each other's mistakes or "near misses" without fear that the information will be used unfairly against them.

Sen. Warren Limmer (R-Maple Grove) asked if a hospital could be prosecuted for not being aware of information on the database. He suggested that the existence of a shared electronic database might mean that health care providers are legally obliged to be aware of mistakes or misjudgments by other providers.

James Williams, a concerned citizen and the husband of an alleged victim of health care negligence, objected to the peer review protection granted by the bill. He said the bill allows a health care provider that has committed a serious error to keep information about the incident from being admissible as evidence. Sen. Jane Ranum (DFL-Mpls.) asked about the Department of Health's responsibility to handle cases like the Williams' and suggested that there are issues of public access to information that need to be addressed. Ranum said that the bill is not intended to encompass broader issues of health care information availability. The bill was approved and sent to floor.

The other bill brought before the committee for testimony was S.F. 179, authored by Sen. Don Betzold (DFL-Fridley). The bill modifies some of the provisions that guide how a mentally ill person comes to be detained or civilly committed. Under current law, authorities can order that a mentally ill person be detained for 72 hours for a hearing only if the person poses an imminent danger. Betzold said that, in practice, the interpretation of "imminent" prevents some people from being detained who clearly should be. The bill strikes the word "imminent" to broaden authorities' flexibility in ordering that a mentally ill person be detained.

Several people with mentally ill family members said the bill's broader language is necessary to prevent authorities from releasing people who, at the time, pose at least a potential threat. Neuville said he is concerned that weakening the standard is contrary to due process, since the examiner or law enforcement agent making the decision to detain has an unchecked power to take away 72 hours of a person's life.

Many others were present to testify on the bill. Sen. John Marty (DFL-Roseville), chair of the committee suggested the discussion be taken up again at the next meeting. The bill was laid over.

## Mailing list bill stalls

At a meeting Tues., Mar. 13, the Judiciary Subcommittee on Data Privacy and Information Policy reconsidered several bills originally brought before the subcommittee on February 27. New bills addressing military discharge papers, employer sponsored counseling, and human rights intake files were also presented.

Sen. Leonard Price (DFL-Woodbury), chief author, returned to the subcommittee with an amendment to S.F. 757. The bill lets any county create a process whereby property owners may choose to be left off mailing lists the county sells to marketers. The amendment, adopted by the subcommittee, makes the bill's provisions match those used for the pilot program in Washington County. New language directs the county to screen requests for property tax information by asking what the information will be used for.

Opponents from the first hearing testified that, although the amendment is an improvement, they still have serious concerns about the statewide availability of the program. Sen. Sheila Kiscaden (R-Rochester) said the bill accomplishes nothing, since it doesn't make lists unattainable by marketers, but only increases the costs of generating them. She said voluntary "do-not-call" or "do-not-mail" programs by the Direct Marketing Association, are much more successful at accomplishing the goal of the bill. Sen. Warren Limmer (R-Maple Grove) agreed, saying the consumer protections offered by the bill are "about as secure as a screen door." Price said that "even a screen door keeps pesky mosquitoes away."

The bill was laid over. Sen. Jane Ranum (DFL-Mpls.) said that she supports Washington County's prerogative to continue the program, which ends August 1 of 2001 under current law. Price presented S.F. 811, a bill he authored to make the authority for the program permanent in Washington and Ramsey Counties. The bill failed to gain the subcommittee's approval. Kiscaden said the program is an illusion and needs to be put to rest. Ranum offered to amend the bill to extend the program for two years

only. Sen. Myron Orfield (DFL-Mpls.) said he agreed with Kiscaden but would support the amended bill. It was approved as amended for inclusion in the omnibus bill.

Another bill revisited by the subcommittee is S.F. 321, carried by Sen. Dave Kleis (R-St. Cloud). The bill requires that anyone wanting to be named a conservator or guardian undergo a background check. Kleis offered an amendment that clarifies and refines several provisions, including one that includes family members in the background check requirement. Kiscaden said the results of a background check do not constitute proof that a family member will not be an adequate guardian. Ann Offermann, a county attorney, said the bill does not require courts to bar people based on background checks. The bill was approved and sent to the Judiciary Committee.

Sen. Don Betzold (DFL-Fridley), chair of the subcommittee, reintroduced a bill under his authorship, S.F. 964. The bill, which expands statewide a data privacy provision extended to the St. Paul Housing and Redevelopment Authority, was approved for inclusion in the omnibus bill. The provision allows some data submitted in the application process for public assistance to be classified as private or nonpublic data.

One new bill brought before the subcommittee was S.F. 1099, authored by Sen. Martha Robertson (R-Minnetonka). The bill classifies as private data certificates of military discharge filed with a county recorder. The bill allows access to the certificate by family members or appointed representatives of the person. Peter Swanson, a veteran, said the county-filed certificates need to be classified because they include the person's Social Security number. Limmer said family members or next of kin should not have access and successfully offered an amendment to exclude them. The bill, as amended, was approved for the omnibus bill.

Sen. Twyla Ring (DFL-North Branch) sponsored S.F. 564, which grants employees access to records created as part of employee assistance programs. Ranum said the bill is not clear regarding access to third-party information that should not be seen by the person receiving the employee assistance counseling. Kiscaden said existing law on personnel records should be used as a model. Limmer said the bill

needs to delineate consequences. The bill was laid over.

Sen. Richard Cohen (DFL-St. Paul) authored S.F. 1215, which classifies the contents of Human Rights Department intake files as classified or confidential. Human Rights Commissioner Janeen Rosas said that, when a discrimination charge is not filed, the complaint should not be public information. She said that giving employers access to every inquiry ever made will have a chilling affect on employees making complaints. Mark Anfinson of the Minnesota Newspapers Association said the bill hinders oversight of the process. The bill was laid over.

## Rules and Administration

### Campaign finance reform debated

The Rules and Administration Subcommittee on Elections, chaired by Sen. John Hottinger (DFL-Mankato), heard testimony on campaign finance reform Tues., Mar. 13. The testimony related to three bills before the committee: S.F. 388, the Fair and Clean Elections Act, authored by Hottinger; S.F. 90, authored by Sen. John Marty (DFL-Roseville), which increases reliance on public subsidies for elections; and S.F. 1579, the governor's "Open and Accountable Campaigns Bill."

Bruce Miller of Common Cause of Minnesota spoke in support of S.F. 388, which provides for publicly funded elections and lower contribution limits. Miller stated, "Minnesota voters view themselves increasingly as bystanders in a political system that is controlled by big money." Independent expenditures increased from \$10,438 in the most expensive race in 1994 to \$310,731 in 2000, he said. He called for a complete replacement of the current campaign finance system.

Kay Erickson of the League of Women Voters also backed S.F. 388, saying "The bill provides change that is going to restore the faith of the public in the election system." She said public funding will cost approximately \$5.50 per taxpayer per year, and pointed out that candidates may choose not to participate in the publicly funded system.

Sen. Dallas Sams (DFL-Staples) asked how independent expenditures are limited under the proposed system. Miller said the bill gives independent organizations a voice, but provides public money for a

candidate to respond to any independent expenditure supporting an opponent. More money is provided for response to a negative ad, he said.

Sen. Roy Terwilliger (R-Edina) questioned whether the current system functions as badly as the testimony suggested, saying, "The whole world isn't coming apart here." He said, in his own experience, he hasn't seen major problems with negative ads or the undue influence of large contributors. Hottinger agreed that the real situation may not be so serious, but pointed out, "Clearly the perception is that we're available for purchase." The bill, he said, restores public faith in the system.

Sen. Warren Limmer (R-Maple Grove) said high voter turnout in his district indicates that the public still feels it plays a role in politics. He suggested, "Maybe we're trying to get rid of a fly with a shotgun here." Negative ads can play a role in questioning an incumbent's record, he added, as long as they aren't pejorative or slanderous. Miller said he hears a lot of discussion among citizens about problems in the campaign finance system, and citizens react positively to the system proposed in S.F. 388.

Hamline University Professor David Schultz described strengths and weaknesses of the current system. Reforms in 1993, he said, reduced the cost of elections and cut big contributions. However, he said, large contributors are giving ever more money to party caucuses rather than to individual candidates. The increasing gap between soft and hard money contributions is reason for concern, Schultz said, as is the unregulated nature of independent expenditures. He also called for a broader contribution disclosure system.

Schultz advocated a modification of the current system, saying it is cheaper than full public funding and still results in greater dependence on public financing. The system proposed in S.F. 388 may be unconstitutional, he said. He added, "People have a right to be able to send off \$25 to \$50 in support of a certain Senator."

Ryan Griffin of Minnesota Citizens Concerned for Life (MCCL) spoke in opposition to changes in campaign financing. He said organizations need to be able to speak directly to the public about the actions of candidates without triggering a monetary contribution to the candidate they're trying to defeat. He said

he sees no substantive problem with the current system and added, "Political action committees allow citizens of small means to pull their contributions together and have a say in the political system."

### Redistricting debate continued

The Rules and Administration Committee, chaired by Sen. Roger Moe (DFL-Erskine), continued discussion of redistricting principles Thurs., Mar. 15. The principles are contained in a bill, S.F. 1013, and a joint resolution, S.F. 1326, both authored by Sen. Lawrence Pogemiller (DFL-Mpls.). The two measures are nearly identical, and Pogemiller said he would like to amend them concurrently until the committee decides whether to recommend a resolution or a bill.

Members acted on several amendments. Sen. David Knutson (R-Burnsville) had offered an amendment related to political competitiveness at the end of the last committee meeting, but withdrew it from discussion in favor of a similar amendment offered by Pogemiller. The amendment, to the joint resolution, removes a reference to third parties and simply says that districts should be politically competitive and not unduly favor any political party. The amendment also says that districts should not be drawn to protect or defeat a particular incumbent, and should avoid contests between incumbents.

Sen. Myron Orfield (DFL-Mpls.) asked how the language on political competitiveness applies to areas that have a long history of voting for one particular party. Knutson said the amendment means that lines will not be specifically drawn to favor a particular party, and the plan as a whole should reflect the partisan makeup of the state.

Sen. Dave Kleis (R-St. Cloud) said the provision about avoiding contests between incumbents goes too far in protecting incumbents. Pogemiller said he was willing to remove the provision. Members approved the amendment to the joint resolution without the provision on incumbents. Members also approved an identical amendment to the bill.

Sen. Thomas Neuville (R-Northfield) offered an amendment to make more stringent the requirement that districts be equal in population. The amendment retains a requirement that the population of a legislative district may not deviate

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from the ideal by more than two percent, but adds a provision that the mean deviation for all districts considered as a whole not exceed one percent. Neuville said the amendment retains the flexibility necessary to preserve communities of interest but also preserves to the greatest extent possible the “one person, one vote” principle.

Pogemiller said the amendment is an unnecessary complication. Orfield said it creates the nearly impossible task of preserving constituencies while creating exactly equal districts. The amendment was defeated on a 4-7 roll call vote.

Sen. William Belanger (R-Bloomington) offered an amendment that groups political subdivisions together with any community of interest as a unit that should not be split by district lines. Orfield opposed the amendment, saying it seems logical to give city boundaries precedence over arbitrary communities of interest such as hunters or church parishes. Pogemiller agreed, saying, “The amendment says that a political subdivision is not more important than any other community of interest you can define and I think that goes contrary to all the public input we’ve received.” The amendment was defeated on a 4-7 roll call vote.

Pogemiller offered a clarifying amendment to the joint resolution removing the statement that the redistricting principles apply to a plan “presented to the Senate or House of Representatives.” He said the principles should apply to any plan, even one drawn by a court. The amendment was adopted.

Pogemiller offered a final amendment to the bill reversing an amendment adopted at an earlier meeting. Pogemiller said the earlier amendment, which specifies that the principles apply only to the 2000 redistricting process, was offered as a compromise to gain support for the bill. He said he now wishes to remove the provision. The amendment was adopted.

## State and Local Government Operations

### Community newspaper bill okayed

The State and Local Government Operations Committee met Thurs., Mar. 8. Bills considered by the committee addressed community newspapers, electronic real estate filing, bond authority for St. Paul, and administrative rule-making.

S.F. 771, sponsored by Sen. Bob Kierlin (R-Winona), eases requirements to allow small publications to serve as the qualified newspaper in communities below a certain size. Under the bill, the qualified newspaper in towns under 1,300 people need only have a format of 800 square inches and a circulation of 250. The bill also specifies that a publication can not qualify if it receives a public subsidy. Kierlin said the bill was inspired by a very successful community newspaper in Houston, Minnesota, and drafted to allow for similar situations statewide.

Sen. Jim Vickerman (DFL-Tracy), committee chair, said established newspapers might object and offered an amendment to keep the bill as a local one applying only to Houston. Mark Aronson of the Association of Minnesota Newspapers said his organization is unsure of the impact but supports the bill nonetheless. Sen. Martha Robertson (R-Minnetonka), Sen. Don Betzold (DFL-Fridley) and Sen. Claire Robling (R-Prior Lake) spoke in favor of keeping the bill’s focus statewide and Vickerman withdrew his amendment. The bill was approved and sent to the floor.

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 763. The bill makes an appropriation to fund the work plan of the Electronic Real Estate Recording Task Force. Kelley said the funding requested provides, among other things, pilot projects throughout the state. Secretary of State Mary Kiffmeyer emphasized that the task force will improve real estate recording as a whole, not merely transfer existing practice into an electronic format. The bill was approved and re-referred to the Committee on Finance.

S.F. 1059, authored by Sen. Ellen Anderson (DFL-St. Paul), is special legislation allowing the city of St. Paul to issue bonds to pay for improved technology infrastructure. The bill does not subject the bonds to the city’s net debt limits and does not require an election for authorization of the bonds. Anderson said the provisions of current bonding authority are not clear about whether technology improvements qualify for bond funding. The bill was approved and sent to the Finance Committee.

The committee also approved a technical bill authored by Sen. Don Betzold (DFL-Fridley). S.F. 780 clarifies language, adds references, and makes other non-substantive changes to statutes on

administrative rule-making. The bill was sent to the floor.

### State casino proposal debated

A bill proposing a constitutional amendment to allow state-run casinos comprised the entire agenda at the Tues., Mar. 13, meeting of the State and Local Government Operations Committee. Sen. Dick Day, chief author of the legislation, presented the bill and responded to its opponents.

The bill, S.F. 525, proposes that an amendment to the state constitution be placed on the ballot in the 2002 election. The proposed amendment allows the state to operate a casino and hire a private entity to manage it. The bill grants to the director of the lottery the authority for oversight of the casino and defines provisions for a management contract. The bill also specifies that the net proceeds from the casino are placed in a fund for capital improvements and educational infrastructure.

Day focused his testimony on answers to criticism of the plan. To refute claims that constituents don’t want gambling, he highlighted a list showing high usage of the state lottery in committee members’ districts. Day said that Minnesotans want their own casino and added that the bill gives them the opportunity to vote for one. He said the bill does not mean an expansion of gambling any greater than the expansion occurring within existing tribal casinos. Native American casinos, Day said, currently have sole access to a \$3 to \$4 billion dollar industry. He said fostering competition will be good for everybody. He also said that, among other states with tribal casinos, some have non-tribal casinos as well and most at least have revenue sharing.

Continuing, Day answered other criticism of the bill by saying a state-run casino will not create more gamblers. He said a state run casino will keep people who do gamble from going to casinos in South Dakota or Iowa. Furthermore, Day said the idea that poor people or seniors spend non-discretionary income at casinos is bogus; he said the median income of a casino gambler in the state is \$41,000. Finally, Day said casinos do not necessarily contribute to increased crime.

Also speaking in favor of the bill, Joe Marble and David Hoch of Citizens for Baseball in Minnesota presented a list of campaign contributions made to Legisla-

tors by tribal political action committees. They said that, although not illegal, the contributions influence views on issues of interest to tribes and create an uneven playing field when competing for state resources.

First to speak in opposition to the bill, Sen. Myron Orfield (DFL-Mpls.) said gambling victimizes people who are already in trouble and sells them hope that isn't real. He also said that certain types of crime, such as prostitution, loan sharking, and narcotics, are increased by the presence of casinos. Sen. LeRoy Stumpf (DFL-Thief River Falls) said the state is close to reaching the capacity of gambling that it can support.

Representatives of Native American tribes said a state run casino will hold back reservations' progress toward self-sufficiency and have a negative impact on the whole rural economy. Audrey Kohlen, president of the Prairie Island Indian Community objected to the notion that tribes are getting rich and living extravagantly because of casinos, saying that income for some reservations goes toward basic roads and infrastructure. She added that there is enough competition already among tribal casinos and the state getting involved will erode the one thing that has helped tribes start to reverse generations of poverty.

Kohlen and Defoe both highlighted money the casinos give back to their communities or pay to local governments. Day said the state does its part too to address the needs of tribal members, including large populations of poor Native Americans in the Twin Cities. Sen. Dan Stevens (R-Mora) suggested the state should try to renegotiate the compact it has with the tribes regarding casinos. He said that the state, if not now, will look at gambling revenue in the future if tougher economic times make revenue harder to come by.

Father Dave McCauley of the Minnesota Catholic Conference of Bishops said that government involvement in gambling for the public good is counter-productive because gambling has a disproportionately negative effect on low income people. Mark Peters of the Lutheran Coalition for Public Policy agreed, saying a state-run casino represents a conflict of interests. McCauley said that the Catholic Church does not object to gambling per se and makes a distinction between infrequent social activities that include gambling and a regular reliance on gambling as a source of income.

Finally, Darrell McKigney of the Taxpayers League of Minnesota objected to the bill. He said government becomes less accountable when it generates revenue that does not come from its citizens.

Sen. Jim Vickerman (DFL-Tracy), chair of the committee, said he wanted the committee to vote on the bill at the meeting. Day said he wants to wait so that the bill may be considered later along with similar bills that may be introduced. After some debate over how best to proceed, the bill was laid over.

## State Government, Economic Development and the Judiciary Budget Division

### Budget hearings continue

The Department of Trade and Economic Development (DTED) wrapped up a third day of budget presentations before the State Government, Economic Development and the Judiciary Budget Division Thurs., Mar. 8. The division also began hearing testimony on the budget of the Department of Economic Security.

Sen. Richard Cohen (DFL-St. Paul), chair of the division, asked Commissioners Gary Fields and Earl Wilson if the governor has introduced the details of his plan to merge the two departments. They said he has not. Sen. David Johnson (DFL-Bloomington) and Sen. Ellen Anderson (DFL-St. Paul) emphasized that the Legislature expects to have input on decisions regarding the merger. Johnson also said details have not been forthcoming from an ongoing independent audit of transfers between the two departments. The commissioners both said only the Governor's Office is authorized to comment on the audit. Cohen said a representative of the office will be invited to the division's next meeting.

As for the budget requests, DTED concluded its presentation with testimony from several agencies or programs within the department. Terry Kuhlman of the Minnesota Public Facilities Authority gave an overview of the three revolving loan funds managed by the authority. Steve Rothschild of the Twin Cities Rise Program presented a request of \$300,000 a year to develop the skills of hard-to-employ workers.

The department's Office of Tourism request includes a decrease of \$1.6 million in trunk highway dollars that had been used to support travel information centers on highways throughout the state. Director John Edman said that, without other sources of funding, the office would stop staffing centers in lower priority areas, including International Falls, Anchor Lake, St. Cloud, St. Croix, Worthington, and Grand Portage. The office's budget also includes \$829,000 a year for the Minnesota Film Board to use to promote the film industry in the state. Randy Adamsick of the board highlighted measures taken to increase competitiveness with major cities in Canada, where the film industry is booming.

DES began its budget presentation with testimony by Jack Weidenbach, who oversees unemployment insurance programs. He said the department pays out an average of \$17 million a week in unemployment claims.

Weidenbach said that flat funding for his office has resulted in continuous reductions in staffing levels. He also highlighted a \$30 million initiative to upgrade the technology the office uses. He said that it is funded with a one-time appropriation to the Department of Administration and through unemployment tax set-asides through FY 05.

### Workforce funding heard

The State Government, Economic Development and the Judiciary Budget Division met Tues., Mar 13 for a final day of budget testimony from the Department of Economic Security (DES). Representatives from the department discussed workforce services, rehabilitation services, services for the blind, and energy assistance programs.

For the workforce services component, attention once again focused on eliminated, reallocated, or shifted funding and programs. Jim Korkki from the Department highlighted a recommendation to discontinue funding for the Dislocated Homemaker program, saying the overall workforce development plan seeks to serve a broader population. Sen. Richard Cohen (DFL-St. Paul), chair of the division, said the pass-through aspect of the program worked well because needs that cross jurisdictions—human services, education, and workforce development—are often better served by non-profits than by state agencies.

# Committee update

Korkki also highlighted budget allocations for emerging workers, the Juvenile Accountability Initiative Block Grants (JAIBG), and a universal worker program. He said the emerging worker funding of \$3 million will improve counseling provided to students not intending to continue their education beyond high school. Cohen asked if funding for such a program should come from E-12 Education funding. Sen. Martha Robertson (R-Minnetonka) said the funding's intention as workforce development is better served coming from DES. Cohen and Sen. Dave Kleis (R-St. Cloud) said the department should work closely with the Higher Education Services Office, which serves a similar population. The JAIBG funding of \$111,000, Korkki said, is a reallocation from a program directed at curfew and truancy prevention.

The universal worker funding, Korkki said, is a new initiative to make the resources of workforce centers more available to workers who currently have jobs. Robertson said it is not clear how the money allocated to the program fits in with what used to be funded and with the new big picture of workforce development. Sen. Ellen Anderson (DFL-St. Paul) agreed, pointing to \$97 million in federal funding that comes through the department. Korkki said he could provide a breakdown of the funding.

Howard Glad of Community Rehabilitation Services gave an overview of funding for the vocational rehabilitation, independent living, and extended employment of persons with disabilities. He also said the budget includes a new one-time appropriation of \$500,000 for a companionship program called Best Buddies. The program establishes chapters on high school and college campuses to recruit students to be matched in meaningful friendships with people with mentally retardation. Bonnie Elsey of State Services for the Blind said her agency has overcome deficits of the past and has returned to solvency and complete service to all of its population. She said the annual budget of \$15 million includes job training, self-sufficiency, business services, and administrative services.

Finally, Kim Rezek presented the budget for energy assistance programs, which have been transferred to the department from Children, Families and Learning. She said increased fuel costs have caused the federal government to

increase funding for energy assistance. The department's base budget, she said, incorporates the increase, changing from \$50 million to over \$80 million a year.

## Courts make case for increases

Testimony at the Weds., Mar. 14, meeting of the State Government, Economic Development and the Judiciary Budget Division focused on the District Courts. The division reviewed the findings of a legislative audit and heard the beginning of the Courts' budget request.

The report on the District Courts by the Office of the Legislative Auditor, summarized by Jodi Hauer, says the courts generally process cases within established guidelines. The report also states that the major factor for delays, when they do occur, is a shortage of judges. Hauer said growth in the number of the most time consuming cases has far outpaced growth in the number of judges. She also said the weighted caseload analysis the state uses needs refining to take into account the quality, not just quantity, of cases heard. A final recommendation, Hauer said, is parity of pay in the use of retired judges.

State Court Administrator Sue Dosal gave an overview of Judicial Branch strategies and initiatives, adding that the three main budget factors are the increased workload, the ongoing transition to state funding for some District Courts, and outdated technology. Dosal said the budget request includes a total of nine new judges across five districts. She said a bill authorizing the addition is being carried by the Sen. Richard Cohen (DFL-St. Paul), chair of the division. In addition, she said, two other districts will convert a total of three referee positions to judgeships. Dosal also highlighted budget requests for improving the state's weighted caseload analysis and standardizing the per diem for the use of retired judges.

Second District Judge Lawrence Cohen presented testimony regarding increasing costs for services the courts are mandated to provide. He summarized a budget increase request for guardians ad litem, court interpreters, in forma pauperis support, and psychological examinations. A former foster child and an acting guardian ad litem gave testimony, as did a certified court interpreter. Judge Cohen said that last year in Ramsey County alone, requests were made for interpreters in 41 different languages. He said the courts'

current pool of certified interpreters only covers half of the 100-plus languages now spoken in Minnesota. Second District Judge Sal Rosas dramatized the duty to provide interpreters by asking Senators, in Spanish, questions a judge might ask a litigant. He said, "There can be no justice without comprehension, and we are failing in that respect."

Finally, First District Judge Edward Lynch addressed a budget request seeking to make levels of pay in the judicial branch more competitive. He pointed to examples throughout the state where salaries for clerks and other court employees do not even keep pace with lower skilled private sector jobs. According to Lynch, 7 of the 16 judges in District 5 have not been able to retain law clerks. The request in the budget, Lynch said, brings judicial branch administrative salaries in line with those of the executive and legislative branch.

Testimony was also presented on increased salaries for judges. Sandra Neren of the Minnesota District Judges Association said Minnesota now ranks 33rd nationally in the level of pay for judges. She said the state ranks 9th and 12th, respectively, in pay for the governor and Legislators. Gene Merriam, chair of the 1999 Compensation Council, said the recommendation is for a 3 1/2 percent increase in salaries as well as an increase to correspond with state collective bargaining results.

Sen. Martha Robertson (R-Minnetonka) asked "If you had to choose between more judges and more pay for judges, which would you choose?" She said it is going to be hard for Legislators to prioritize requests for increases across all budget divisions.

Judge Leslie Metzger, chair of the Conference of Chief Judges, said that the budget is as bare as it can be. She said that the number of cases is not within the court systems control, nor are the requirements of justice.

## Taxes

### Price of government proposed

Members of the Tax Committee met Tues., Mar. 13, to hear price of government recommendations from the governor's administration, outside organizations and the Senate's Office of Fiscal Policy Analysis. Since 1994, the governor has been required, in odd-numbered years,

to recommend revenue targets for the next two biennia, said Charlie Bieleck of the Dept. of Revenue. The targets the governor presents to the Legislature, represented as a percentage of Minnesota personal income, must be differentiated between state and local government and between types of revenue, Bieleck said.

The governor's recommendations set revenues at 15.9 percent of personal income for the FY 02-03 biennium and at 15.5 percent for the FY 04-05 biennium. State services will comprise 62 percent of the revenues in FY 02-03 and 64 percent of the FY 04-05 revenues. The governor also recommends decreased reliance on property taxes for state and local revenue.

A concurrent resolution drafted by Senate Counsel reflected a feeling in the Senate that the governor's budget proposals are too lean, Sen. Lawrence Pogemiller (DFL-Mpls.) said. Pogemiller, chair of the committee, said the resolution maintains the apportionment of revenue between state and local government and also decreases the reliance on property taxes. However, the resolution sets targets of 16.2 percent of personal income in FY 02-03 and 15.7 percent in FY 04-05.

According to Mark Misukanis, director of the Senate's Office of Fiscal Policy Analysis, the resolution allows the Legislature to reduce taxes by about \$609 million and increase spending by the same amount in the first biennium. The governor's proposal, he said, devotes \$1.1 billion to tax reductions with no new spending allowance in the FY 02-03 biennium.

Representatives from the Property Tax Study Project and Minnesota Chamber of Commerce testified about their own suggestions for price of government targets for the next two biennia. The committee voted to approve the concurrent resolution and referred it to the floor.

## Income and Sales Tax Budget Division

### Tax rebate bills heard

The Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), processed 12 bills, including bills providing sales tax rebates and many that change tax policies implemented during fiscal crises.

Sen. Bob Lessard (IND-Intl. Falls) carried S.F. 692, which outlines the

governor's sales tax rebate. The governor's plan gives \$856 million back to taxpayers in sums ranging from \$223 to \$3,500.

John Haugen from the Department of Revenue described three major changes between S.F. 692 and the rebate last year. The first, he said, is that the state is giving back more money. Secondly, last year only people who filed income tax returns qualified for a rebate, whereas this year people who filed a property tax rebate form (M1PR) may receive a sales tax rebate, he said. The final major difference is that people who receive social security automatically receive half of the minimum amount for a married couple, as opposed to the last rebate which provided the minimum amount for a single person to all social security recipients. Haugen also said some of last year's glitches, such as those that gave rebates to children, are fixed but others, such as the rebates given to retired persons living out of state yet still have residencies in Minnesota, were too difficult to correct.

Sen. Grace Schwab (R-Albert Lea) and Sen. Edward Oliver (R-Deephaven) also authored bills relating to the tax rebate. S.F. 516, carried by Schwab, is similar to S.F. 692, but categorizes qualifying people differently, although essentially the same people receive rebates. S.F. 913, sponsored by Oliver, differs from the 2000 rebate and S.F. 692, because it expands the definition of income to include interest and interest dividends on Minnesota state and local government obligations that are exempt for state tax purposes.

Senators Charles Wiger (DFL-North St. Paul), Bob Kierlin (R-Winona), Keith Langseth (DFL-Glyndon), Sam Solon (DFL-Duluth) and Steve Kelley (DFL-Hopkins) carried identical bills that exempt local governments from paying sales tax (S.F. 4, 46, 185, 552, and 1188 respectively). Langseth said the tax paid by local governments is little more than a shell game. "We tax government to pay for government," he said. Wiger said, "The bill passed when there was a shortfall and was supposed to be temporary. Now that we have a wind fall, why not get rid of the tax?"

Mark Sather, city manager for White Bear Lake, said that requiring local government to pay sales tax increases the cost of government more than just the 6.5 percent paid for the tax, because cities have to take out larger loans to cover the cost of large purchases plus the tax and then have to pay additional interest.

According to the fiscal note attached to the bills, repealing the sales tax for local government causes a loss of revenue of \$96 million in FY 02 and \$108.8 million in FY 03.

Sen. Twyla Ring (DFL-North Branch) brought forth S.F. 999, which allows all counties to tax aggregate material businesses at a rate of \$.15 per cubic yard, if the county board approves the tax. The bill requires that the money collected must be spent to repair roads and bridges and for the restoration of abandoned pits. "It's only fair that the gravel businesses pay for the impact they make on county roads," Ring said. Currently, only 28 counties are allowed to tax aggregate mining businesses and the tax rate is \$.10 per cubic yard.

Sen. Chuck Fowler (DFL-Fairmont) sponsored S.F. 704, which lowers the sales tax from 6.5 percent to 6 percent. The bill is identical to S.F. 60, authored Don Samuelson (DFL-Brainerd). Both bills reduce the sales tax rate without changing the tax eligibility of any items. Fowler said that when the half-percent increase in the sales tax was introduced in 1991 amid fiscal crisis, it was meant to be a temporary adjustment. He also said that the state should be less dependant on sales taxes because the growth of Internet commerce will make the sales tax obsolete. "As we look to the future, sales taxes will not be a solid, viable option," he said.

Oliver unveiled S.F. 396, which eliminates the June accelerated payment of sales tax by vendors. He explained that prior to 1981 retailers remitted sales taxes on a set date of the following month. However, he said, during the financial hardship of 1981, the state required vendors to remit the June sales tax payment for the following year in advance of the ordinary date. Under present law, businesses must remit 62 percent of the estimated June liability and on August 14 pay the remainder. "We are now in a prosperous economy," he said, "but we still have this system hanging on." Oliver said S.F. 396 requires that taxes be paid by the 20th day of the month following the sale.

Finally, Schwab presented S.F. 416. The bill reduces income tax rates by .5 percent in the highest and lowest tax brackets and by .8 percent in the middle bracket. "Middle income earners pay the bulk of taxes and that's where they deserve the biggest cut," she said.

The committee laid over all of the bills for possible inclusion in an omnibus tax bill.

# Committee update

## Property Tax Budget Division

### County concerns heard

Members of the Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), met Tues., Mar. 13, to hear testimony on county property tax issues from a variety of sources, including several county commissioners and two county associations. Most of the testimony concerned state-mandated county-provided services, such as court administration, family preservation and out-of-home placements.

Jason Hardy, Dept. of Revenue, presented the governor's reform proposals. Hardy said the governor's goal is to distribute aid based on need and ability to pay or to fund shared responsibilities or state-mandated programs. County Homestead Agricultural Credit Aid (HACA) in the amount of \$81 million, he said, is targeted towards family preservation, out-of-home placements and state assumption of court operating costs.

Tom Delaney, Association of Minnesota Counties (AMC), said some counties must spend over 70 percent of their budgets on state-mandated spending. Jim Schug, also of the AMC, said the state should focus on relieving counties of the high-growth portions of mandated programs rather than assuming relatively stable costs. Schug also emphasized that funds spent on early-stage, preventive child welfare programs, like family preservation aid, have a greater impact than late-stage, reactive programs. "We are spending all the money to put out fires, so we don't have it for early intervention, which is where we get the most mileage," Delaney added. Both Delaney and Schug stressed that the state needs to maintain balance in its mandates and revenue sources. Of expansive social programs and mandates, Delaney said "They may be good policy, but they all have a price as well."

Dr. Ruth Kruger, deputy director of Dakota County Community Services, said some counties must assume all the costs for day services for adults with developmental disabilities. The situation is created, she said, by the fact that some residents are not covered by Medical Assistance. Day services costs, Kruger noted, are rising rapidly. A task force has suggested, she said, the creation of a limited waiver to

bring the residents under Medical Assistance coverage. Such a plan, Kruger said, will provide more access to day services and more equity across the state.

A plan to cover a more than \$1.5 million shortfall in the Public Employees Retirement Association (PERA) pension funds was offered by Keith Carlson of the Metropolitan Inter-County Association. In 1984, he said, PERA and the Minnesota State Retirement System (MSRS) enjoyed sufficiency—or an overabundance of funds to cover outstanding pension plans. The Legislature decided to reduce employer contributions to PERA and MSRS and use the saved money to aid the Teachers Retirement Association (TRA) pension fund with a shortfall it had, Carlson said. With the situation currently reversed, he said, TRA should bail out PERA now that TRA is enjoying sufficiency.

### 'Broken agreement' debated

Members of the Property Tax Budget Division met Weds., Mar. 14, to hear testimony regarding a situation in Mower County that Sen. Lawrence Pogemiller (DFL-Mpls.) called "a breaking of trust with the Legislature."

Pogemiller carried S.F. 1094, which amends a personal property tax exemption granted to a power facility in southeastern Minnesota. The bill originally referenced a plant in Mower County, but Pogemiller offered an amendment that changed the reference to Martin County, which was his intent, he said. The amendment was adopted.

The bill requires that the plant be constructed by a general contractor who certifies that at least 75 percent of the hourly wages have been paid to unionized Minnesotan construction workers. Pogemiller said the Legislature granted the exemption for the facility in 1999 with the understanding that the people of Minnesota would benefit with additional jobs on the construction. "If we're going to give a tax break, it seemed a fair thing to consider," he said. However, the business that entered into that informal agreement, according to Pogemiller, did not live up to its word.

Dick Anfang, president of the Minnesota Building Trades Council, said Tenaska, Inc. of Omaha, Neb. selected Trimont, Minn. as the site for a power plant. Tenaska was interested in developing to serve peak demand energy needs in the upper Midwest. Anfang cited testi-

mony Robert Knudsen, then Tenaska general manager for development, gave to the other body's tax committee regarding benefits the state would receive in addition to the power generation. Anfang said Knudsen virtually promised 150 construction jobs over a two-year period. Construction workers in Martin County and surrounding areas, Anfang said, were optimistic about those jobs. "Work is the single most important thing to a construction worker," he said.

However, by late 1999, Minnesota workers had been essentially shut out of the construction process, Anfang said. The Industrial Company (TIC) had been hired by Tenaska as the general contractor for the Trimont plant. TIC had submitted bids that would exclude Minnesota skilled laborers accustomed to the prevailing wage in the state, he said. Several hundred Minnesotans did apply for skilled labor jobs through the Workforce Center, which was serving as the hiring agent for TIC, Anfang said. They were all told that the wage range was \$9 per hour to \$17 per hour, he said. According to Anfang, skilled electricians earn a prevailing wage of over \$33 per hour in Minnesota. A committee of about 25 people was formed to observe the construction site, Anfang said. Of about 250 workers on the site, over 80 percent are non-Minnesota residents, he testified. Kirk Holdt, a pipefitter who applied to work on the site and was offered unskilled labor at \$9 per hour, said, "I don't feel I can support myself or my family on \$9." Several other workers testified to the same effect.

Bob Ambrose from Great River Energy (GRE), an energy cooperative, said his organization sought a similar exemption for a peaking plant in Mower County. GRE used all union labor for its facility, he said. However, the cooperative also realized that it needed more power and entered into an agreement to buy the Trimont facility from Tenaska, Ambrose said. However, he added, it is now faced with the dilemma of acquiring a plant that no longer has a tax exemption if S.F. 1094 passes. Sen. Don Samuelson (DFL-Brainerd), chair of the division, asked Ambrose when GRE will acquire the facility. Ambrose said construction is expected to be complete within a few months and the plant will be operational by early summer. Sen. Steve Kelley (DFL-Hopkins) suggested that the purchase agreement between Tenaska and GRE



includes an “act of government” clause that would provide GRE with an escape from the purchase. Sen. Kenric Scheevel (R-Preston) asked how the bill penalizes Tenaska, if GRE is acquiring the facility. Pogemiller said that Scheevel’s concern was valid and that he would not ask the full Tax Committee to include S.F. 1094 in the omnibus tax bill if GRE would suffer the penalty for Tenaska’s violation.

Marc Petersen of Tenaska explained that his company’s standard procedure is to solicit bids from engineering, procurement and construction contractors with regard to only two factors: cost and reputation. So long as the contractor has experience in building similar facilities and a good quality and timeliness track record, he said, they are considered for the project. TIC was the winning bidder, he said, and “how they put the workforce together was their business.” Tenaska did, Petersen said, encourage TIC to hire Minnesotans. According to Petersen, TIC has used about 400 workers throughout the construction process—190 of them were Minnesotans. TIC also used 37 subcontractors, he said, and 27 subcontractors were from Minnesota. The tax relief, Petersen said, was not for the construction but for the operation of the plant.

Sen. Ann Rest (DFL-New Hope) asked Petersen if Tenaska would have abided by language requiring Minnesota employees, or if the company would have lobbied against it, ignored the provisions, or withdrawn the project. Petersen said the company would have asked the Legislature “why restrict us?” He noted that there are few contractors qualified to build energy facilities and the national need for new power plants is growing, so the supply of contractors is falling.

The bill, as amended, was referred to the full committee for possible inclusion in the omnibus tax bill. Pogemiller also renewed his assurance that he would not ask for inclusion of the proposal if it would harm GRE or its customers.

## Telecommunications, Energy and Utilities

### Committee confirms commissioner

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Mar., 8, to consider the confirmation of James Bernstein as

Commissioner of the Department of Public Service and of the Department of Commerce.

Bernstein said he has been involved in issues related to energy, telecommunications, insurance and other financial services and wanted to make it clear that he was “not beholden to any industry.” He said he intended to promote balance between the needs of consumers and industry. “We are primarily a customer-service agency,” he said. The panel voted to approve Bernstein’s confirmation.

Action was then taken on HF 264, a bill carried by Metzen. The bill makes minor changes to the makeup of the Electric Energy Task Force, established to study future electric energy sources and costs. The expiration date of March 15, 2003 was approved as an amendment. The bill was approved and recommended for the Consent Calendar.

The final portion of the meeting involved further testimony from representatives from the energy industry, consumers and environmental concerns in regard to the four energy proposals.

### Telecom bills heard

Two bills related to telephone assistance programs and one related to consumer privacy were discussed at the Tues., Mar. 13, meeting of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul).

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 554, a measure representing a revision of last session’s bill to regulate the telecommunications industry. The bill expands the scope of telephone privacy provisions to include provisions dealing with Internet privacy, said Kelley. He said the first part of S.F. 554 requires express consent from telephone customers before providers may sell customer information. Under the bill, “customer information” means individually identifiable information about a customer that is available to a telecom service provider by virtue of the relationship between the customer and the provider, including the identity of persons called or from whom calls were received, bank account information for automatic withdrawal and call date and length of phone calls. “I don’t know of any companies that are selling the information today, but it’s important to pass the bill because it’s likely to happen,” Kelley said. In addition to privacy protection, a portion

of the bill also provides protections related to Internet junk mail and software protection tools for protection to access providers against fraudulent Internet advertising, he said.

Minnesota Telephone Association Director of Regulatory Affairs Jerry Knickerbocker said that his organization opposes the express consent provision because “We view this bill as a solution to a problem that doesn’t exist.” He said the cost of obtaining express consent to exchange customer and company services information would raise costs to consumers, inconvenience providers and involve extra administrative work. Knickerbocker also said the bill blocks companies from communicating with their own customers. Kelley said that the amended version of the bill allows disclosures between affiliates.

A Qwest representative told members that the company does not disclose information about customer’s phone calls, nor do they track individual and business calls because Qwest has a strict confidentiality policy. “The bill creates an administrative nightmare for customers and companies,” she said. She also objected to the provision that requires customer consent.

Sen. John Marty (DFL-Roseville) said he dislikes Qwest’s policy of imposing a recorded message when he gets a busy signal, offering a service similar to call waiting, for a fee. “We’re subjected to that advertising whether we ask for it or not,” he said.

Kelley said that in terms of consent and disclosure, the level of burden for providers is slight—disclosure can be done electronically. Supporting the bill, Jeannie Cochran from the Attorney General’s Office said she was very concerned about private information in the hands of telecom providers. “There is strong public support for this bill,” she said. Members approved the bill and referred it to the Judiciary Committee.

Kelley also presented S.F. 1533, a measure that expands coverage under the telephone assistance plan. According to Kelley, the state provides assistance in paying telephone bills to residents under the telephone assistance plan program, funded by a surcharge on phone bills. He said the bill puts Minnesota in compliance with federal law that provides a program for low-income ratepayers. Another provision addresses instances of services

# Committee update

denied customers on the telephone assistance plan when high speed lines enter a location where multiple residents reside. The bill was laid over for further discussion.

Dept. of Commerce Assistant Commissioner Tony Mendoza, briefly discussed the lifeline program, a federal program that provides assistance credits to eligible households, defined as households with income levels at 150 percent or less of federal poverty guidelines. Under the provision, the Department of Human Services must develop an application plan to certify eligibility for enrollment in the program. Other provisions include notice of nonrenewal procedures, compensation and record keeping practices for providers. The bill was laid over for further consideration.

## Transportation Committee

### Emergency vehicle bill approved

The Transportation Committee heard S.F. 387, authored by Sen. Sheila Kiscaden (R-Rochester), which was inspired by the death of a state trooper. Sen. Dean Johnson (DFL-Willmar) said a state trooper in southeastern Minnesota was struck and killed while standing next to a stopped vehicle on the inside lane. The bill, heard at the Fri., Mar. 8, Transportation committee hearing requires drivers to move their vehicles to the farthest lane from a stopped emergency vehicle.

Sen. Randy Kelly (DFL-St. Paul) said, "We need a public awareness mechanism or the law won't make any difference." He suggested providing a petty misdemeanor penalty for violators except in cases where the violation results in endangerment to a person or property, at which point it becomes a misdemeanor. An amendment to that effect was proposed and adopted.

Sen. Keith Langseth (DFL-Glyndon) also put forth an amendment to change the effective date of the bill to June 1, 2001. He said most bills from this session will take effect in August and the date change may help focus attention on the new law and create public awareness. The bill was approved as amended and referred to the Finance Committee.

A bill appropriating \$400,000 to the Metropolitan Council for a demonstration project to provide express bus service between downtown Minneapolis and cities outside the transit taxing district was also heard. The bill, S.F. 1292, was carried

by Sen. Twyla Ring (DFL-North Branch). She said the bill addresses traffic congestion concerns in East Bethel, particularly growing commuter traffic on Highway 65. "Traffic is expected to increase 50 percent by 2020 and congestion is the number one issue in the area," said Ring. Kelly said several cities outside transit taxing districts have come before the committee with the same funding request. Natalio Diaz from the Metropolitan Council said, "There are at least 12 cities outside the taxing district that are ready for transit services and we need to find a way to provide for them." Kelly proposed expansion of the seven county taxing district to include areas where populations are high enough to warrant transit service. S.F. 1292 was recommended to pass and referred to the Finance Committee.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 508, a bill allowing local road authorities to provide financial assistance for expansion of railroad bridges. Ken Haider, Ramsey County engineer said, "Under current law, the railroad is not required to lengthen railroad bridges to accommodate road widening." The bill was approved and sent to the floor.

A bill redefining "residential roadway" was presented by Sen. Martha Robertson (R-Minnetonka). S.F. 910, she said, changes the definition of "residential roadway" from a one-quarter mile road to a one-half mile road. The bill was approved and sent to the floor.

### Cost participation policy discussed

The Transportation Local Impact Subcommittee met Mon., Mar. 12, to hear testimony from MNDOT's Director of Government Relations Tim Worke and Mark Krebsbach from MNDOT's technical support area, on the impact of transportation projects on local communities. Sen. Satveer Chaudhary (DFL-Fridley) chaired.

Worke said MNDOT initiated a work group to study the department's present policy for cost participation on highway projects to aid in a revision of policy and procedures for cooperative construction projects with local governments.

Krebsbach, work group co-chair, said there is a policy basis for determining cost responsibilities on highway projects. He said the Minnesota Constitution, statutes and rules limit expenditures of trunk highway funds to trunk highway purposes. "Why work is being done, rather than the

location or item, is considered," he said. MNDOT's cost participation is required on all items necessary for the trunk highway portion of the project and local cost participation is based on the portion of the project that impacts local roadways, local purposes or is requested as a local item, said Krebsbach. Further, he said policy does not determine priorities or commit funding; however, local exceptions are municipal utilities, signals and parking on the trunk highway.

Krebsbach said the policy revision goal is to aid cities with populations less than 5,000 because they have limited means and do not qualify for matching funds through the state aid for municipalities program. He said he would like to see a resolution for smaller cities because there will be more cost participation issues relating to future projects.

The Wakota Bridge project is an example of the need for a revised cost participation policy because while there is regional benefit from the bridge project, the entire cost responsibility fell on Newport, he said. Additionally, even though the department began identifying costs early on for the project, cost was a major issue from the beginning, he said. Newport does not have an adequate tax base to afford a project of this magnitude because its population is under 5,000 and property taxes are based on an average home price of about \$100,000, Krebsbach said.

Sen. Ann Rest (DFL-New Hope) said "Newport may be the tip of the iceberg as we begin to reconstruct Minnesota's highways." Robbinsdale is in the same circumstance as Newport because cost magnitude of the Highway 100 reconstruction project is prohibitive for Robbinsdale, she said. "The cost impact equals one whole year of the city's tax levy," said Rest. The city thought this was an opportunity to visit the cost participation policy and look at the regional benefit rather than strictly the city's benefit, she said.

Rest also said a formula that doesn't single out one city but is driven by cost versus population, tax capacity, city budget and the amount of state aid received should be considered. "There should be some direction from the Legislature on where we want that kind of policy to end up and we should take this opportunity to make some policy decisions," she said.

## Special license plates bill okayed

In addition to acting on the camera surveillance bill, the Transportation Committee also heard bills authorizing special license plates, registration tax exemptions on certain equipment and signage commemorating the Moose Lake fire of 1918 at the Tues., Mar. 13, meeting.

Sen. Charles Wiger (DFL-North St. Paul) authored two special license plate bills. S.F. 518 exempts combat-wounded veterans from the special motor vehicle license plate design that identifies certain veterans with a sticker affixed to the plate. Wiger proposed an amendment to include all veterans who qualify for special license plates. The amendment was adopted.

He said the bill allows for the replacement of stickers, presently used on plates to denote various veteran involvements with an embossed signifier. He said there is neither a public safety or cost issue.

Jim Wendt, member of the Military Order of the Purple Heart testified in favor of the bill. He said plates with stickers are hard to read and the embossed plates are a sign of honor and respect.

Wiger also presented S.F. 603, a bill authorizing the design of special license plates for active duty veterans who served in the Grenada military action. Kelly suggested S.F. 518 be amended to include the request in S.F. 603. Wiger agreed with Kelly's proposal and asked the committee to amend S.F. 518 to include the design of a new plate for Grenada veterans. The amendment was adopted. The committee, chaired by Sen. Randy Kelly (DFL-St. Paul) okayed the bill and sent the measure to the floor.

Sen. Dean Johnson (DFL-Willmar) authored S.F. 1113, a bill clarifying misinterpretations of the existing registration exemption for well drilling machines, pump hoists and other equipment. He said

by extending the exemption, misinterpretations would be eliminated. The bill was approved and sent to the floor.

S.F. 381 was presented by Sen. Becky Lourey (DFL-Kerrick). The bill authorizes the installation of signs on I-35 in Moose Lake for the purpose of informing the traveling public of the Moose Lake area fires of 1918. Len Schmidt, an area resident, said a history museum commemorating the 1918 fire is located in a restored Soo Line depot in Moose Lake. He said the fire is the largest natural disaster in Minnesota's history and the second largest fire in the nation. "Over 450 people lost their lives and 250,000 acres and 35 communities were destroyed by the fire," he said.

Betsy Parker from MNDOT said the department is against the bill because it doesn't fall within the parameters of present signage policy. The bill was laid over.



Gary Wingrove, president of the Minnesota Rural Health Association, is flanked by crash test dummies "Vince" and "Larry" as he gives testimony in favor of a bill making the failure to wear a seat belt a primary traffic offense during the Thurs., Mar. 15, meeting of the Transportation Committee.

Photo by David J. Oakes

# Committee update

## Transportation and Public Safety Budget Division

### Budget overviews heard

Budgets for the Office of Crime Victims Ombudsman and the Minnesota Historical Society were heard Thurs., Mar. 8, by the Transportation and Public Safety Budget Division. Sen. Dean Johnson (DFL-Willmar) chaired.

Laura Goodman-Brown from the Office of Crime Victims Ombudsman said the office may investigate any action of the criminal justice system or victim assistance program. Last year, she said, the office received approximately 1,986 requests for assistance. Of those requests, 83 percent were assisted by providing information or referral and closed on initial contact, she said. About 11 percent resulted in an informal investigation and 6 percent in a formal investigation, she said. Brown said the Ombudsman Office is a non-regulatory, non-punitive and independent agency. She said the office has a staff of seven and a base budget of \$379,000.

The Minnesota Historical Society overview was presented by Director Nina Archabal, Legislative Liaison David Kelliher and Vice President of the Executive Council Bill Melton. Archabal said, "The society is the oldest educational institution in Minnesota and its mission is to foster awareness of Minnesota history so that people may draw strength and perspective from the past and find purpose for the future."

Kelliher said the governor's budget proposal recommends a \$26.599 million appropriation in FY 02 and a \$27.129 million appropriation in FY 03. Melton said the monies aid in funding the society's three major programs; education and outreach, preservation and access, and as fiscal agent for oversight of several historical tour sites, he said.

### Panel hears budget overviews

The Tues., Mar. 13, Transportation and Public Safety Budget Division Committee hearing was dedicated to budget overviews. The State Board of Accountancy and Amateur Sports Commission presented overviews along with the Indian Affairs Council, Council on Black Minnesotans and Council on Asian Pacific Minnesotans.

Dennis Poppenhagen, executive

secretary of the State Board of Accountancy, said the Board was established in 1908 to govern and regulate the practice of public accounting within the state. He said, "The CPA examination, which accounts for \$250,000 in revenue, is scheduled for computerization and the process will be discussed this year with 54 jurisdictions in Kansas City. He said there are 6,000 active and 6,000 inactive licensed CPA's in Minnesota. The governor recommends an appropriation of \$706,000 in FY 02 and \$721,000 in FY 03, said Poppenhagen.

The Amateur Sports Commission budget was presented by Executive Director Paul Erickson. He said the Board's mission is to elevate the economic and social benefits of amateur sports to enrich the lives of Minnesotans. The board hosted the 1999 and 2000 National Junior College Wrestling Championship, 1999 World Cup speed skating, and the 2000 ISI World Figure Skating Championships, he said. Erickson also said the 2001 Women's World Hockey Championship and the 2001 USA National Hockey Championship for Girls and Women were also held in Minnesota. He said the Board's activities generate \$50 million in tourism benefits and draw 3.5 million visitors per year to the state.

The Board is requesting \$79,000 for technology that will provide state-of-the-art access and registration for events held in Minnesota, said Poppenhagen. "The board," he said, "awards grants for projects by congressional district to ensure the equality of distributions. He said the Blaine sports facility enables the state to host the U.S.A. Soccer Tournament. "Within two years, it will probably be billed as the largest youth tournament in the country," he said.

The governor is proposing a budget of \$1.407 million in FY 02 and \$1.427 million in FY 03, said Erickson.

Joseph Day, executive director of the Indian Affairs Council, said the council is the official liaison between the state and the 11 tribal governments in Minnesota. The council also provides a forum for and advises the state on issues concerning urban American Indian communities. Additionally, he said, the council administers selected state programs.

Laura Theroux, loan officer for the Indian Affairs Council, said there is \$800,000 in the loan program at the

present time and eleven small business loans, totaling \$850,000, were processed during the 2000 and 2001 biennium. She said \$274,000 have been collected in loan repayments and by the end of the year, the loan fund will be at about \$300,000, she said. Further, said Theroux, the first loan was made in 1980 and the repayment loss rate has gone from 25.62 percent to 18.62 percent, which is smaller than the loss rate at the Small Business Administration

Sen. Claire Robling (R-Prior Lake) asked what type of businesses are initiated as a result of the loans and how are they marketed. Theroux said businesses established as a result of council loans include heading, restaurants, auto shops, small printing companies and manufacturing. She said marketing of loans is done through networking, brochures, and community and business outreach. She also said the council wants to set up an Indian Chamber of Commerce.

The governor recommends appropriations of \$918,000 in FY 02 and \$936,000 in FY 03, said Day.

The budget for the Council on Asian-Pacific Minnesotans was given by Ilean Her, executive director of the council. Her said the council assists in the government and policy-making processes concerning the Asian-Pacific community and helps them gain better access to government services. She also said the council acts as a bridge between the Asian-Pacific community and other communities. Her said the 140,000 Asian-Pacific population is double the 1990 population. She said the emigrant population has urgent and immediate needs in the areas of education, work force development, child care, citizenship education and language. She said, the governor's budget for the Asian-Pacific Council appropriates \$301,000 in FY 02 and \$310,000 in FY 03.

### Patrol video camera bill heard

The Transportation and Public Safety Budget Division met Weds., Mar. 14, to hear six bills that were laid over for possible inclusion in the transportation omnibus bill.

Sen. Dean Johnson (DFL-Willmar), committee chair, presented S.F. 285, a bill that appropriates \$1.680 million in FY 02 and \$400,000 in FY 03 for the installation, maintenance and operation of video cameras on state patrol vehicles. Additionally, he said there is a \$321,000 and

\$129,000 appropriation, respectively, for FY 02 and FY 03 for the purchase and operation of 496 cell phones. Also included in the bill are pagers for patrol cars at a biennial cost of \$107,000, he said. Johnson proposed an amendment striking the pager request. The amendment was adopted.

Col. Anne Beers, State Patrol Chief, said the cost to install, maintain and operate one camera is approximately \$4,000 per year. There are 343 patrol cars and 105 have already been updated with operational audio-video cameras. She said, "The Federal Department of Justice feels so strongly about having cameras on patrol cars that they are providing money for 72 additional cameras." Further, she said, "We've been able to capture critical evidence on film and it is a tremendous tool for court cases."

Sen. Randy Kelly (DFL-St. Paul) said, "This is the way we ought to be going in holding people accountable. This technology really answers the question, in many ways, of racial profiling." Sen. Satveer Chaudhary (DFL-Fridley) asked how cameras determine an officer's intent. Beers said cameras don't document intent but do capture conversations and provide an explanation for actions and consequences of interactions. She also said, "Most times, when officers stop vehicles, it's a one-on-one situation and we want to make sure it is a respectful interaction."

Sen. Claire Robling (R-Prior Lake), said she supports video/audio cameras but asked why cars need to be equipped with cell phones when there are already radio systems in cars. Beers said cell phones provide a back-up communication tool. She said the State Patrol Agency is responsible for answering 65,000 911 calls per month and if accident victims need to call someone, cell phones make it possible for them to do so without going through the dispatch center.

Sen. Steve Murphy (DFL-Red Wing), authored S.F. 111, a bill appropriating \$5 million for port development assistance. Murphy said the port development project began in 1991 and \$2 million has been appropriated since 1996. He said there is a huge port development need on the Mississippi River and Great Lakes. He said, "Letting our water ways deteriorate is not a cost effective option."

Myron White, from the Port of Red Wing, testified in favor of the bill. He said funding will be used for rehabilitating

warehouses, dredging, and resurfacing docks and storage areas. He said rehabilitating rail road tracks and roadways to gain access to ports will also be addressed. Dick Lambert, MNDOT director of ports and waterways, said there are 38 private ports but money is only used for terminals located on publicly owned property.

S.F. 1019, authored by Sen. Linda Higgins (DFL-Mpls.), appropriates \$844,000 for the Minnesota Historical Society to operate the Mill City Museum at St. Anthony Falls. Minnesota Historical Society Director Nina Archabal said, "We want to tell the story of milling and power that is drawn off the river." She said exhibitions will tell the story of agriculture, rail and transportation, settlement and emigrant populations, and the political world. Archabal said the museum is scheduled to open in the Fall of 2002 and operating costs will be \$422,000 for both FY01 and FY02.

Sen. Becky Lourey (DFL-Kerrick), presented S.F. 395. The bill appropriates \$50,000, to be matched by the Moose Lake Area Historical Society, for improvements to the Moose Lake History Museum which is located in a restored Soo Line depot. She said the Historical Society would like to build an addition to the building to commemorate the fires of 1918.

A bill designating Little Elk Heritage Preserve as a historic site was authored by Sen. Don Samuelson (DFL-Brainerd). He said S.F. 405 appropriates \$300,000 to the Minnesota Historical Society to assist the Institute for Minnesota Archaeology in infrastructure development at the preserve.

Beth Nodland, the executive director of the Institute for Minnesota Archaeology, said the institute's mission is to provide research, education and stewardship of the preserve. She said to meet these goals, minimal infrastructure development is required for signage, restrooms and road improvements to allow public access to the site.

She said the preserve is a multi-cultural, multi-faceted historical site and is listed in the Minnesota State Register of Historic Places, which makes it eligible for public and private support. The site has archeological and historic areas that date back prior to the Revolutionary War and there are a full range of resources on the property, she said. "Explorers and fur traders have stopped there and a mission site dating back to the late 1830's is found

on the grounds," she said. The preserve also has a milling site, circa 1855, and an area that dates back to the beginning of the Minnesota Territory, said Nodland.

Samuelson also presented a bill appropriating \$60,000 to the Minnesota Military Museum at Camp Ripley. S.F. 645 allows Minnesota's military history to be preserved, said General Lyle Dorr. Jack Johnson, past curator of the museum, said, "There have been no increases in state allocations since 1985 and we've reached the point where we need additional resources." He said a full-time curator is needed to handle the job.

## Frequently called numbers

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# Preview

Monday, March 19

## Rules and Administration Subcommittee on Redistricting

*Chair: Sen. Roger D. Moe*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 1013-Pogemiller: Legislative and congressional districts redistricting principles. S.F. 1326-Pogemiller: Joint legislative resolution establishing districting principles for legislative and congressional plans.

## Transportation Subcommittee on Local Impact

*Chair: Sen. Satveer Chaudhary*

10 a.m. Room 125 Capitol

**Agenda:** Local government costs associated with MnDOT projects. Continuation of MnDOT presentation.

**The Senate will be in session at 10:30 a.m.**

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** S.F.447-Ranum: Special education programs in care and treatment facilities. S.F. 853-Johnson, Dean: Integration revenue. S.F. 497-Higgins: Appropriation for the adolescent parenting program. S.F. 759-Wiger: Modifying the adults with disabilities program. S.F. 905-Krentz: Appropriation for lead hazard reduction. S.F. 944-Lourey: Appropriation for MN Economic Opportunity Grants. S.F.345-Moe: Modifying the counting of pupils. S.F. 957-Langseth: Increasing the marginal cost pupil unit count for districts with declining enrollment. S.F. 1320-Langseth: Increase marginal cost pupil count for districts with declining enrollment. S.F.482-Tomassoni: Increasing declining pupil unit aid. S.F.623-Tomassoni: Modifying the general education revenue isolation index. S.F.626-Tomassoni: Increasing funding for districts with declining enrollment. S.F. 627-Tomassoni: Five year average enrollment to calculate declining pupil revenue. S.F. 778-Tomassoni: Increasing funding for school lunches. S.F. 592-Hottinger: Grant

to St. Peter School District, ISD 508 for declining pupil aid. S.F.766-Lessard: Modifying sparsity correction revenue.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 683-Samuelson: Providing reimbursement to counties for the cost of out of home placement. S.F. 691-Lourey: Adding day training and habilitation services as a covered service under Medical Assistance. S.F. 934-Higgins: Removing an ineligibility provision for General Assistance and General Assistance Medical Care. S.F. 1245-Higgins: Public guardianship. S.F. 1256-Samuelson: Providing for prospective review of spending commitments for radiation therapy facilities. S.F. 1345-Higgins: Modifying the Vital Statistics Act. S.F. 1397-Kiscaden: Changing requirements to background studies for licensed programs. S.F. 1407-Ring: Modifying provisions in health care access programs. S.F. 1364-Berglin: Expanding the medical support bonus incentives program to provide child support enforcement. S.F. 1415-Sams: Modifying the terms of certain health related advisory councils, committees, and task forces. S.F. 1398-Kiscaden: Establishing maternal death reviews. S.F. 1522-Neuville: Allowing a group residential supplemental rate for certain providers serving chemical dependency or mentally ill.

## Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 188-Hottinger: Expanding the Minnesota Talented Youth Math Project. S.F. 1254-Larson: Grant to Alexandria Technical College to support post-secondary outreach. S.F. 1349-Moe, R.D.: Establishing the Rural Minnesota Technology Service Center.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

6 p.m. Room 107 Capitol

**Agenda:** S.F. 765-Hottinger: Prescription drug rebate program. S.F. 526-Day: Placing conditions on a pharmacy's

participation in the medical assistance program.

## Jobs, Housing and Community Development Committee

*Chair: Sen. Ellen Anderson*

6 p.m. Room 123 Capitol

**Agenda:** Landlord/tenant issues: S.F. 1246-Chaudhary: Mobile homes. S.F. 935/S.F. 1328-Pariseau: Stolen property. S.F.920-Berglin: Application fees. S.F. 218-Berglin: Retaliatory eviction. S.F. 550-Berglin: Pilot program for high-risk renters. S.F. 882-Sabo: Tenant screening reports. S.F. 1092-Higgins: Shared meter bill. S.F. 1211-Anderson: Tenant impact statement.

## Legislative Commission on Pensions and Retirement

*Chair: Sen. Dean E. Johnson*

6 p.m. Room 107 Capitol

**Agenda:** Update briefing on Minnesota retirement building project. S.F. 53-Kleis/H.F. 95-Opatz: PERA; Retroactive payment of bounce back annuity to deceased former St. Cloud city employee. S.F. 77-Wiger/H.F.XXX: PERA; Exclude certain St. Paul city trades personnel and Metropolitan Airports Commission plumbers from PERA coverage. S.F. 1096-Pogemiller/H.F. 1334-Kahn: MSRS; University hospital employee disability benefits continuation. S.F. 841-Kiscaden/H.F. XXX: TRA; Exempting certain teachers from post-retirement earnings limits and reductions. S.F. 1129-Johnson, Dean/H.F. 968-Juhnke: Volunteer Firefighter Relief Associations; Provide ambulance service personnel state supplemental benefits, and increase amount and limits on supplemental benefits. S.F. 695-Vickerman/H.F. 597-Evans: Various; Automatic joint and survivor annuities. S.F. 777-Tomassoni/H.F. 1161-Sertich: MSRS; Refund eligibility. S.F. 24-Wiger/H.F. XXX: Volunteer Fire; Service pension payment upon fire department reemployment. S.F. XXX/H.F. 855-Mares: PERA; Contribution increases, benefit modifications, and coverage changes. S.F. 810-Pogemiller/H.F. XXX: PERA; Contribution increases, benefit modifications, and coverage changes.

Tuesday, March 20

**Education Subcommittee on Early Childhood Education**

*Chair: Sen. Becky Lourey*

8 a.m. Room 125 Capitol

**Agenda:** To be announced.

**Rules and Administration Subcommittee on Elections**

*Chair: Sen. John Hottinger*

8 a.m. Room 123 Capitol

**Agenda:** Continued work on S.F. 388-Hottinger: Fair and Clean Elections Act, S.F. 90-Marty: Election campaign finance and ethics provisions modifications and S.F. 1579-Hottinger: Election campaign finance provisions modifications (Governor's open and accountable campaigns bill.) S.F. 91-Marty: Election campaign finance reporting requirements modifications. S.F. 95-Marty: Absentee voting procedures simplification. H.F. 486-Lesewski: Newspapers or magazines paid political advertisement disclaimers legibility requirement. S.F. 369-Krentz: Legislative joint standing committees establishment and conference committees appointment rules of procedure adoption requirement.

**Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 601-Frederickson: Appropriate money for regional sludge management demonstration project. S.F. 897-Ourada: Modifying the creation of lake improvement districts. S.F. 1281-Oliver: Creating an income tax credit for land donated for conservation purposes. S.F. 1346-Lessard: DNR technical bill. S.F. 1351-Krentz: Extend sunset date for solid waste advisory council.

**Judiciary Committee**

*Chair: Sen. John Marty*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 619-Ranum: Domestic abuse crimes provisions modifications. S.F. 1145-Ranum: Child maltreatment in facilities reporting and investigation procedures. S.F. 339-Murphy: Agricul-

tural liens regulation provisions modification and consolidation. S.F. 665-Orfield: Uniform Arbitration Act. S.F. 1172-Wiger: Constitutional amendment for gender neutral state constitution. S.F. 959-Berglin: District Court housing eviction records expungement. S.F. 321-Kleis: Guardians or conservators criminal background checks requirements. S.F. 729-Foley: Civil commitment procedures modifications. S.F. 728-Foley: Case captions to refer to patients by initials.

**Transportation Committee**

*Chair: Sen. Randy C. Kelly*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 257-Day: Requiring a study and report by the commissioner of transportation of use of I-394 "sane lanes" by single occupant vehicles. S.F. 1155-Langseth: Modifying width limitations on recreational equipment, prescribing maximum length for motor homes. S.F. 1184-Johnson, Dean: Providing civil remedies for receiving motor fuel from a motor fuel retail business without paying for it. S.F. 1191-Johnson, Dean: Changing allocation of 12 percent of a driver's license reinstatement fee. S.F. 1409-Kelly, R.C.: Enacting Driver's License Agreement Act, modifying definition of passenger automobile to include certain vans, modifying provisions naming vehicles eligible to display collector vehicle plates, providing grounds for cancellation of motor vehicle dealer licence, modifying definition of utility etc. S.F. 1457-Johnson, Dean: Creating driver's license account and allocating to the account proceeds of fees relating to functions of department of public safety, appropriating money from the account.

**Environment and Natural Resources Subcommittee on Public Lands and Waters**

*Chair: Sen. Twyla Ring*

1 p.m. Room 112 Capitol

**Agenda:** S.F. 117-Wiger: Sale of tax-forfeited land: Washington County. S.F. 126-Dille: Sale of tax-forfeited land: Meeker County. S.F. 168-Tomassoni: Sale of tax-forfeited land: St. Louis County. S.F. 489-Tomassoni: Allowing private

easements across tax-forfeited land. S.F. 507-Wiger: Sale of tax-forfeited land: Ramsey County. S.F. 745-Johnson, Douglas: Sale of tax-forfeited land: St. Louis County. S.F. 764-Tomassoni: Changing land exchange requirements. S.F. 1053-Lourey: Sale of tax-forfeited land: Aitkin County. S.F. 1126-Kinkel: Sale of tax-forfeited land: Hubbard County. S.F. 1314-Johnson, Douglas: Sale of tax-forfeited land: Cook County. S.F. 1337-Krentz: Sale of tax-forfeited land: Washington County. S.F. 1483-Johnson, Douglas: Sale of tax-forfeited land: Lake County. S.F. 1550-Chaudhary: Sale of tax-forfeited land: Ramsey County.

**State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 1368-Berglin: Center for Crime Victim Services reorganization. S.F. 954-Hottinger: Edvest; extending authority to adopt rules. S.F. 1441-Hottinger: Gift ban limited exemption. S.F. 1302-Hottinger: Government procurement policy. S.F. 1572-Langseth: Municipal planning; zoning; clarifying treatment of legal non-conforming uses. S.F. 1295-Robling: USDA financing program; expanding use to include child care. S.F. 1469-Orfield: Modifying provisions of state personnel system. S.F. 1471-Vickerman: Conforming statutes to reflect transfer of authority from municipal board to office of strategic and long-range planning.

**Telecommunications, Energy and Utilities Committee**

*Chair: Sen. James Metzen*

2 p.m. Room 15 Capitol

**Agenda:** S.F. 1501-Price: Requiring an energy efficiency impact statement and standards for capital improvements and public buildings. S.F. 1516-Stevens: Including biogas recovery facilities in the renewable energy production incentive program.

# Preview

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 125 Capitol

**Agenda:** S.F. 223-Stevens: Manure and odor loans. S.F. 1175-Sams: Requiring the delegation of feedlot permitting in certain counties, providing funding support. S.F. 1176-Sams: Establishing a feedlot specialist program. Governor's recommendations on feedlots.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 893-Chaudhary: Ramsey County program grants. S.F. 248-Cohen: District Court judgeship increases. S.F. 1046-Samuels: Center for Victims of Torture grant. S.F. 38-Ranum: CrimNet. S.F. 740-Lourey: Greater MN HIV prevention. S.F. 828-Berglin: STD Prevention.

## Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

4 p.m. Room 118 Capitol

**Agenda:** S.F. 153-Krentz: Increasing dedication of revenues from in lieu of sales tax on lottery tickets for natural resources. S.F. 310-Oliver: Exempting capital equipment up front. S.F. 360-Lourey: Providing for application of tax to sales of prefabricated homes. S.F. 366-Scheid: Exempting materials and equipment used for production of water. S.F. 464-Langseth: Authorizing allocation for certain border city enterprise zones. S.F. 474-Vickerman: Establishing tax free zones; exemptions for businesses and individuals in tax free zones. S.F. 547-Rest: Corporate franchise tax; adopting single sales apportionment. S.F. 582-Oliver: Adopting a single sales apportionment. S.F. 802-Robling: Casino sales tax revenues; modifying payments to counties with tribal casinos. S.F. 840-Langseth: Exempting certain agricultural equipment. S.F. 955-Stevens: Providing for imposition of production tax on aggregate materials. S.F. 1087-Tomassoni: Eliminating special rates on motor vehicle rentals and alcohol sales. S.F. 1121-Tomassoni: Extending same sales tax and

motor vehicle excise tax exemptions applicable to nonpublic schools to school districts. S.F. 1162-Rest: Making the capital equipment exemption an up-front exemption. S.F. 1532-Kelley, S.P.: Increasing research credit and extending it to individual income; allowing investment credit; providing tax exemption for certain purchases.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** S.F. 259-Lesewski: Increase the education agricultural credit to 100 percent. S.F. 521-Oliver: Provides additional rebate for senior citizen homeowners. S.F. 581-Moe, R.D.: Expands counties natural resource lands PILTS eligibility. S.F. 594-Stumpf: Allows agricultural homestead classification for conservation reserve program property. S.F. 967-Johnson, Dean: Expands non-residential agricultural homestead eligibility. S.F. 1048-Moe, R.D.: Exempts Indian reservation housing projects from property tax. S.F. 1101-Johnson, Dean: Exempts machinery and other personal property personal property of a biomass electrical generating facility from the property tax. S.F. 1159-Frederickson: Allows homestead classification for elderly in assisted living.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Carryover from Thursday (if necessary), and budget presentations on the MN Board of Government Innovation and Cooperation, the Iron Range Resources and Rehabilitation Board, and the Department of Employee Relations.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** S. F. 144-Metzen: Soccer fields development grants. S. F. 669-Metzen: Mighty Ducks ice arenas development grants appropriation. S. F. 184-Krentz: National Sports Center sports conference center bond issue and appropriation. S. F. 408-Pappas: Historic structure preservation

grant program. S. F. 884-Johnson, Dean: Rural violence prevention services continuation appropriation. S. F. 499-Kelly: Ramsey County and St. Paul attorney offices joint domestic abuse prosecution unit pilot project continuation.

## Wednesday, March 21

### Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 813-Sams: Providing grants and incentives to motor fuel retailers who install pumps and equipment to dispense cleaner fuel. S.F. 814-Sams: Creating an education program to market the use of clean fuels. S.F. 775-Murphy: Allowing natural gasoline as petroleum component in E85 Fuel. S.F. 1203-Anderson: Regulating the use of genetically modified organisms.

### Commerce Committee

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 1147-Kiscaden: Creating a purchasing alliance stop-loss fund account. S.F. 1192-Wiener: Regulating the Minnesota Comprehensive Health Association (MCHA). S.F. 1204-Hottinger: Regulating the use of HIV and bloodborne pathogen tests. S.F. 1083-Hottinger: Revising certain provisions involving state regulation of private health coverage.

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Education Committee

*Chair: Sen. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 866-Pappas: Remaining articles, including Article 8, of Dept. of Children Families and Learning's administrative policy bill. S.F. 427-Scheevel: Limiting teacher leave in charter schools. S.F. 807-Kiscaden: Limiting teacher leave extensions to teach in charter schools. S.F.



1169-Pappas: Establishing a state board for charter schools. S.F. 486-Ring: Farmer/lender mediation program date extension. S.F. 1447-Ring: Notice to parents/employees when Head Start program or childcare provider plans to use pesticides. S.F. 991-Kelly, R.C.: Notifying schools of student possession of drug paraphernalia.

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 1070-Berglin: Long term care task force initiatives. S.F. 1077-Berglin: Establishing the long term care employee health insurance assistance program. S.F. 1243-Berglin: Modifying provisions for long term care. S.F. 411-Hottinger: Providing comprehensively for senior care with the community care options for older adults act. S.F. 1421-Stevens: Modifying requirements for full-time nursing home administrators. S.F. 1744-Higgins: Providing for certain mental health coverage, prohibiting certain payment methods for health maintenance organizations.

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

4 p.m. Room 123 Capitol

**Agenda:** S.F. State troopers hiring and state patrol recruit training academy operation appropriation.

### Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 15 Capitol

**Agenda:** S.F. 21-Betzold: Increase LGA for Osseo. S.F. 29-Samuelson: Increase development time for platted land. S.F. 290-Fowler: Exempts certain agricultural loans secured by real property from mortgagee registry tax. S.F. 412-Kinkel: Exempts residential buildings intended to be moved from temporary sites. S.F. 483-Vickerman: Heron Lake Watershed District administrative fund levy increase. S.F. 576-Price: Metropolitan Area cities LGA increase. S.F. 917-Robling: Requires separate certification of county levies for watershed management.

### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

5 p.m. Room 118 Capitol

**Agenda:** S.F. 125-Tomassoni: Mesabi Trail Station. S.F. 140-Ring: Fire and rescue for interstate parks. S.F. 546-Berg: Lac Qui Parle State Park. S.F. 599-Moe, R.D.: Big Bog and Red River recreation areas. S.F. 742-Johnson, Douglas: Gitchi-Gami State Trail.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

5 p.m. or immediately following Finance. Room 107 Capitol

**Agenda:** Carryover from Tuesday (if necessary), and the budget presentation on the Department of Revenue.

### Legislative Commission on Pensions and Retirement Subcommittee on Service

#### Credit Purchase

*Chair: Sen. Don Betzold*

6 p.m. Room 316 Capitol

**Agenda:** To be announced.

### Judiciary Committee

*Chair: Sen. John Marty*

7 p.m. Room 15 Capitol

**Agenda:** S.F. 1108-Scheid: Internet sales and leases regulation. S.F. 1419-Scheid: Payment bonds claims notices requirements modification. S.F. 1212-Foley: Clarifying use of certain factors in determining the best interests of a child. S.F. 1477-Foley: Child support collection and enforcement provisions modifications. S.F. 1278-Frederickson: Judgment satisfaction notices to credit reporting agencies. S.F. 936-Neuville: Medical malpractice actions dismissal for certification of expert review requirements noncompliance. S.F. 1502-Betzold: Name change proceedings affidavit acceptance. S.F. 317-Cohen: Constitutional amendment for equal rights for men and women. S.F. 368-Fischbach: Land used for recreational purposes civil liability immunity extension.

Thursday, March 22

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

8 a.m. Room 107 Capitol

**Agenda:** S.F. 596-Krentz: Appropriation for the Lower St. Croix management plan. S.F. 1284-Pogamiller: Mississippi Whitewater Trail. S.F. 1402-Langseth: Flood hazard mitigation grants. S.F. 1580-Moe, R.D.: Department of Natural Resources lands bill. S.F. 1743-Krentz: Pollution Control Agency tax reform bill.

### Rules and Administration Subcommittee on Elections

*Chair: Sen. John Hottinger*

8 a.m. Room 123 Capitol

**Agenda:** To be announced.

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

8 a.m. and immediately following session Room 112 Capitol

**Agenda:** To be announced.

### Judiciary Committee

*Chair: Sen. John Marty*

8:30 a.m. and immediately following Session Room 15 Capitol

**Agenda:** To be announced.

**The Senate will be in session at 9:30 a.m.**

### Legislative Coordinating Commission

*Chair: Rep. Steve Sviggum*

1 p.m. Basement Hearing Room, State Office Building

**Agenda:** Review/approve resolutions establishing subcommittees: LCC Subcommittee on Administrative Rules, and LCC Subcommittee on Employee Relations. Review/approve resolution appointing members of commissions and subcommittees. Receive report on financial audit. Review/approve resolution on Technology Use Policy. Presentation of compensation evaluation by HayGroup. Ford Foundation Innovations in American Government grant.

# Preview

## State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 98-Marty: Fire-retardent standards for cigarettes. S.F. 1199-Larson: County hospital board membership. S.F. 1490-Metzen: Transfer or disposal of interceptor facilities. S.F. 1404-Hottinger: Permitting retired state employees to purchase group long-term insurance through same plan offered to active state employees. S.F. 1449-Hottinger: Modifying provisions related to community based planning. S.F. 1205-Johnson, Douglas: Enforcement, regulation and reporting requirements of state building code. S.F. 1540-Rest: Repealing sunset of county capital improvement bonding authority. S.F. 891-Rest: Transferring duties of the State Treasurer. S.F. 784-Orfield: Providing for an elected Metropolitan Council. S.F. 1619-Rest: Authorizing state building official to have final interpretive authority of state building code.

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** S.F. 30-Dille: Money for an agriculture specialist in the classroom. S.F. 121-Robertson: Money for water access on Lake Minnetonka. S.F. 122-Robertson: Bonding for water access on Lake Minnetonka. S.F. 523-Dille: Testing of certain cattle herds for Johnes' disease. S.F. 815-Vickerman: Allow approval of 3 ethanol plants. S.F. 1085-Vickerman: Soybean oilseed processing facility.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 1028-Higgins: Crisis nurseries. S.F. 305-Anderson: Deaf and MI supportive services. S.F. 677-Lourey: Senior Service Corps volunteer programs. S.F. 1488-Sams: Deaf/blind services. S.F. 705-Berglin: Group residential housing services. S.F. 789-Berglin: Nursing home rates for ventilator dependent persons.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Budget presentation on Department of Revenue.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** S. F. 738-Kelly: Capitol complex security technology purchase and installation appropriation. S. F. 1262-Kelly: St. Paul victim intervention project appropriation. S. F. 75-Johnson, Dean: Multijurisdictional narcotics task forces funding. S. F. 198-Johnson, Dean: State fire marshal account.

## Education Committee

*Chair: Sen. Sandra Pappas*

7 p.m. Room 123 Capitol

**Agenda:** S.F. 866-Pappas: Remaining articles and testimony. S.F. 943-Ranum: Establishing a board for education administrators. S.F. 988-Kinkel: Establishing a board of education leadership. S.F. 610-Pappas: Alternative licensure for administrators. S.F. 978-Scheevel: Requiring school district contracts with teachers be structurally balanced. S.F. 1020-Robertson: Requiring that school district contracts with teachers be structurally balanced. S.F. 1753-Pappas: Education mandates repealer bill.

## Judiciary Subcommittee on Data Practices

*Chair: Sen. Don Betzold*

7 p.m.. Room 107 Capitol

**Agenda:** S.F. 357-Price: Government data providing for classification and dissemination of educational data. S.F. 449: Government data practices; providing certain data collected by counties is classified as nonpublic. S.F. 564-Ring: Providing access to employee assistance records; requiring employee assistance records be kept separate from personnel records. S.F. 1215-Cohen: Permitting discretionary disclosure during investigation. S.F. 1372-Betzold: Changing data privacy provisions. S.F. 1373-Betzold: Authorizing dissemination of certain juvenile data. S.F. 1374-Betzold: Depart-

ment of Revenue penalty and disclosure bill; classifying data. S.F. 1478-Neuville: Authorizing BCA to charge a fee for Internet access to criminal history data. S.F. 1538-Ranum: Clarifying language relating to opinions issued by commissioner of administration; abolishing statutory administrative remedies. S.F. 1592-Betzold: Authorizing issuance of advisory opinions regarding overly burdensome requests for public data; clarifying provisions relating to security information and applicant data. S.F. 1725: Classification of certain data.

## Friday, March 23

### Commerce Committee

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 1004-Lourey: Prohibiting tampering with clock-hour meters on farm tractors. S.F. 754-Berglin: Relating to mental health; providing coverage requirements for health plans. S.F. 1226-Sams: Regulating basic economic loss benefits in no-fault.

### Crime Prevention Committee

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

### Rules and Administration Subcommittee on Elections

*Chair: Sen. John Hottinger*

12 noon Room 123 Capitol

**Agenda:** To be announced.

### Education Working Group on Reading Strategies

*Chair: Sen. Charles Wiger*

12:15 p.m. Room 112 Capitol

**Agenda:** Discussion of reading legislation.

## Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

Go to the Rotunda, the Governor's Reception Room, the Senate Chamber, the House of Representatives Chamber, the Supreme Court Chamber, and the Quadriga at your own pace and in any order you like. Travel behind the scenes to quarters that are not normally opened to the public like the House and Senate Retiring Rooms, the Supreme Court Justices' Consultation Room, or the Governor's Private Office.

A special section called "Other Neat Places" takes you to more obscure areas that you may not see on an in-person visit to the building like the inner dome, the underground tunnel system, or the newly restored "Rathskeller" cafeteria. When you have finished your multi-media tour, test yourself on what you have learned by taking the short quiz.

Brilliant digital photography captures the artistic beauty of the building and the professional voice-over provides background information and historical perspective on the paintings, architecture, sculpture, and interior design that make up Minnesota's State Capitol building.

"A Building for All..." can be purchased for \$5 per CD (both PC and Mac versions on one disc) or borrowed at no cost by contacting Senate Media Services at (651) 296-0264.

## Sign language interpreter services

The Minnesota Legislature has a contract with the Interpretive Referral Center of Doorways to provide sign language interpreter services for people who are deaf, deafblind or hard of hearing. Interpretive services from certified interpreters are available throughout the year to facilitate testimony at Legislative hearings and to interpret for those attending hearings. The service is also available for meetings between Legislators and groups of or individual constituents. In addition, interpretive services are available for legislative functions at the Capitol and throughout the state.

If you need sign language interpretation services, please contact the Interpretive Referral Center of Doorways at 651-224-6548 (v/tty) as soon as possible with the time and date you will need the service. Residents of northern Minnesota

may call toll-free at 1-877-456-3839 (v/tty), and residents of southern Minnesota may call toll-free at 1-877-456-2021 (v/tty).

## Educational Streaming Videos Available

Two videos, "Discover the Capitol" and "Rules, Laws and Process," can now be accessed through the Legislature's website at <http://www.leg.state.mn.us/leg/youth/video.htm> (Requires Real Player or Windows Media Player.) These videos are excellent sources of information on the history of the State Capitol and on how laws are made in Minnesota. For more information or to borrow a video tape of either program contact Senate Media Services at (651) 296-0264.

## Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status, and bill sponsorship.

Interested citizens may also request copies of bills or ask to be put on the mailing list for Senate publications. If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 651-296-0504 (tty 651-296-0250).

The Senate Information Office also has toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (tty). Staff members are available to answer questions about the Senate and the legislative process.

For daily recorded updates on committee meetings, call the Senate Hotline at 651-296-8088.

## Senate on the World Wide Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and

government information.

The Legislature's page (<http://www.leg.state.mn.us>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Rules. The page also allows one to track legislation and get general information about the legislative process. The site includes a district finder service for those who need to contact their House member or Senator. Other information—about visiting the Capitol, state history and symbols, and employment opportunities with the Legislature—is also available.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The House of Representatives Web page (<http://www.house.leg.state.mn.us>) includes membership and committee information. It also has daily news, information, and the daily House schedule. House journals and legislative information are also available.

The Senate Web site (<http://www.senate.leg.state.mn.us>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

Both the Senate and House Web sites offer streaming video access to floor and selected committees.

## Listserv available

The Senate has established a "listserv" to automatically send daily committee schedules to subscribers with Internet e-mail access. The service is designed to make it easier for the public to get up to the minute information about Senate committee schedules. A "listserv" is a mailing list program designed to copy and distribute electronic mail to everyone subscribed to a particular mailing list.

Individuals may subscribe to the listserv at any time and the schedule will be e-mailed on a daily basis.

To subscribe to the Senate listserv simply send an e-mail message to: [listserv@senate.leg.state.mn.us](mailto:listserv@senate.leg.state.mn.us)

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# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*Former Gov. Elmer L. Andersen generously shares his wit and wisdom with Senators during an address in the Senate Chambers on Monday, March 19.  
Photo by David J. Oakes*



March 23, 2001

# Senate Highlights

## Former governor speaks

The full Senate met briefly Mon., Mar. 19, to process bill introductions and committee reports. S.F. 7, a bill relating to maltreatment of animals that assist persons with disabilities, was granted final passage on the Senate Calendar. Before passing by a vote of 60-0, Chief Author Charles Wiger (DFL-North St. Paul) offered an amendment to make the bill's provisions consistent.

Following the official business, members of the Senate welcomed a special guest, former Governor Elmer L. Andersen, who also served as a state Senator from 1949 to 1958. Majority Leader Roger D. Moe (DFL-Erskine) and Minority Leader Dick Day (R-Owatonna) had invited Andersen and payed homage to his years of public service by giving him an opportunity to address the body. Andersen, a native of Chicago and survivor of childhood polio, celebrated his 90th birthday in 1999.

Speaking without notes from his wheelchair on a platform in the center of the chamber, Andersen charmed his audience with both wistful reminiscences and informed commentary on current issues. He pointed to the Senate desks where he and colleagues had sat, and

described with pride Senators' efforts to bear their disagreements respectfully. He said, "It's a good lesson for life as well as for parliamentary concerns." An accomplished newspaper writer and editor, Andersen also praised the media and advised Senators on how to handle reporters. "Answer them forthrightly, tell the truth and," he said, "call them back quickly."

Making references to a documentary and two books he has encountered recently, Andersen paid tribute to his country, his adopted state, and his alma mater, the University of Minnesota. He said the sacrifices made by heroic men and women who founded the country fill him with gratitude. He likened Minnesota's leadership in government with that of Athens, admiring the state's historical progress toward "peace among our people and prosperity for all." He praised the University for educating national and international figures who have "brought service to mankind and jobs to Minnesota."

The former governor was not reticent about current issues related to the state and the University. He said that funding for state courts deserves the Legislature's attention. He pointed to statistics that suggest Minnesota's judges are the 12th

most cited judges in the country, but their pay ranks 33rd. He also said the governor's budget falls well short in serving the needs of the University of Minnesota. He noted a \$16 million need by the medical school and a grand plan for an arts campus on the West Bank. He asked Senators to "give the University the tools to do the job."

Andersen closed with a comparison to another state Legislature from the state's past. He said that, over 100 years ago, Legislators in Minnesota faced the need for a capitol building and chose not to let fiscal considerations keep them from foreseeing the magnificence of the Capitol as it exists today. "What a vision they had," he said, "what a challenge, what an inspiration." He said he hopes that, 100 years from now, the people of the state can credit this Legislature with having a similar vision.

## Brief session held

The Senate met in a brief floor session Thurs., Mar. 22, to process bill introductions and the movement of bills between committees in anticipation of the first committee deadline Fri., Mar. 30. Sen. Dave Kleis (R-St. Cloud) attempted to remove S.F. 1759, a bill relating to sales tax rebates, from committee for a floor vote. The motion failed on a 27-37 roll call vote. In other action, members appointed a conference committee to resolved differences with the other body on H.F. 47, the LTV mining bill.

## Feedlot legislation advanced

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), heard four bills pertaining to feedlot regulation Fri., Mar. 16. Rod Massey of the Pollution Control Agency (PCA) began by reviewing general issues relating to feedlots. The agency would like a clear idea of where feedlots are located, he said, so any facility with more than 50 animal units must register. However, facilities under 1,000 animal units require a permit only for construction or expansion, he said. If a county has already done an inventory of feedlots, facilities in that county do not need to register independently, he added.

Sen. Dallas Sams (DFL-Staples) presented a bill, S.F. 1176, that appropriates money for a feedlot specialist program in the Department of Agriculture to help

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small producers through the permit application process. The original bill targeted assistance primarily at producers with fewer than 300 animal units, but members adopted an amendment, offered by Sams, raising the limit to 500. Members also adopted an amendment deleting the purpose statement of the bill. The bill was sent to the Finance Committee with a recommendation to pass.

Murphy sponsored S.F. 1659, a bill providing that a county that has not yet conducted a level two or level three inventory of feedlot facilities may conduct a level one inventory, thereby exempting local facilities from having to register independently with the PCA. Howard Pearson of Pennington County said a level one inventory can be conducted easily by estimating the aggregate number of animal units located in the county. He said more stringent inventory requirements lead to counties withdrawing from the delegated county program.

Massey said he supports the bill on the condition that the definition of level one inventory be modified. He said that for non-delegated counties, aggregate data for facilities greater than 1,000 animal units is not acceptable, since the agency needs names and addresses to communicate with producers. Murphy agreed to work on the provision with Massey. The bill was temporarily laid on the table.

Murphy then presented S.F. 1148, which limits requirements placed on feedlot permittees by the PCA. The bill exempts permittees from preparing an air emission plan when the permittee has not violated air quality standards, removes the requirement that the permittee maintain records of rain and snowfall, and requires agency approval of a transfer of ownership only if the new owner has a history of noncompliance with environmental laws.

Gregg Gleichert of the Minnesota Turkey Growers Association said air emissions are unrelated to water quality and too much regulation will make Minnesota an uncompetitive island. The precipitation records are burdensome and duplicative, he said. Massey said the precipitation requirement was meant to allow producers to keep records independently of a weather station that may be located miles away. He also said the new feedlot rules are meant to address more than water quality.

Members adopted an amendment, offered by Sams, extending the permit

application deadline from June 1 to Sept. 1, 2000. Sen. Steve Dille (R-Dassel) offered an amendment providing that a feedlot located on shoreland may resume operation regardless of how long it has been inactive. The amendment was adopted. The bill was laid on the table temporarily.

Sen. Kenric Scheevel (R-Preston) carried S.F. 1106, which transfers responsibility for enforcing rules regarding dairy farms with less than 1,000 animal units from the PCA to the Department of Agriculture. Scheevel explained that an understanding regarding the transfer has already been developed, but the bill sets a finalization date of July 1, 2005. Department of Agriculture inspectors visit dairy farms twice a year already, Scheevel said, so they are in a position to have regular contact with producers. "Hopefully we can do a better job of informing and educating dairy producers and preventing problems," he said.

Members then incorporated S.F. 1148 and S.F. 1106 into S.F. 1659 and sent the omnibus bill to the Environment and Natural Resources Committee with a recommendation to pass.

### **Panel hears seat belt bill**

Sen. John Hottinger (DFL-Mankato) presented S. F. 1178 to the Transportation Committee Thurs., Mar. 15. The bill makes seat belt violations a primary offense.

Hottinger said, "Safety is fiscally responsible." He said the bill ensures personal responsibility and reduces state impact due to not wearing seat belts. He said the new law would save as much as \$8.8 million per year. Last year, he said, there were 51 deaths and 979 preventable injuries because people were not wearing seat belts. He said the bill proposes a moderate upgrade of the present law and that the governor is in favor of the bill.

Sen. Leo Foley (DFL-Coon Rapids) said, "I support this bill and it is a good first step in the overall process." Foley offered an amendment that makes seat belt violators guilty of a petty misdemeanor and subject to a \$25 fine. He said, "The amendment increases the judges authority to take appropriate action including fine up to \$300 for circumstances that indicate a larger fine is warranted. The amendment also tells drivers the infraction is more serious than a fine that does not go on their record." Hottinger said he did not support

Foley's amendment. The amendment was not adopted.

Col. Anne Beers, State Patrol Chief, said, "The bill enables pro-active enforcement of laws when responding to crashes and victims so that officers can determine what happened." She said state patrol officers are the first to arrive at an accident scene and are the ones that have to knock on doors and tell people a loved one was killed. "Give us a law to change motorists behavior so we can prevent this scenario," said Beers.

Sgt. Don Schmalzbauer, State Patrol accident reconstructionist, also testified in favor of the bill. Flanked by two persons dressed as crash test dummies, he said, "I have seen needless death and trauma that was avoidable if only seat belts had been worn."

Dave Long, air bag life safety education and restraint training instructor, said the greatest risk of injury by air bags is from not being belted in the car. Several health professionals, including Dr. Pat Welch, from North Memorial Health Center, also testified in favor of the bill.

Welch said, "What about health care costs that the system must absorb?" He said the legislation should be looked at as a way to reduce not only injuries, but as a way to save money. Sen. Mady Reiter (R-Shoreview), said, "I have never been a proponent of this law, but I'm changing my mind because the testimony is overwhelming." Sen. Dean Johnson (DFL-Willmar), said personal freedom is cherished, but if we don't have the safety belt law, we end up paying higher insurance and health care premiums. S. F. 1178 was approved and sent to the floor.

Sen. Becky Lourey (DFL-Kerrick) presented S. F. 381, a bill that authorizes signage for the Moose Lake area fires of 1918. The bill was laid over.

County transportation needs were reviewed by Harlan Madsen, Kandiyohi County commissioner, and Greg Isackson, Goodhue County engineer.

### **Bill information available**

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# Committee update

## Agriculture, General Legislation and Veterans Affairs

### GMO regulation rejected

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), heard a bill Weds., Mar. 21, regulating the use of genetically modified organisms (GMOs) in agriculture. The bill, S.F. 1203, is authored by Sen. Ellen Anderson (DFL-St. Paul).

The bill sets requirements regarding cross-contamination and labeling. It requires a manufacturer of genetically modified crop seeds to provide instructions to the purchaser on how the seeds should be used to avoid cross-pollination with non-GMO crops. Also, the purchaser is required to provide the seller with names and addresses of neighboring farmers, and

the manufacturer must then provide notice to neighboring growers of plans to use GMO seeds. The bill also establishes a procedure for labeling of non-GMO foods.

"I believe our public policy has not kept up with this new technology," Anderson said. The bill makes seed manufacturers responsible for the products they produce, she said, while giving growers and neighbors the information they need to address cross-pollination.

Organic inspector James Riddle spoke in support of the bill. He said organic growers have lost millions of dollars due to cross-contamination with GMO crops. In addition, he said, seed stocks for non-GMO crops are becoming contaminated. He also cited the unanticipated ecological impacts of GMO foods.

Brenda Langton, owner of Café Brenda, advocated labeling for GMO foods. She said, "We, as restaurateurs, have to know what's in our food." Whether or not GMO foods have been

proven to have negative health impacts, farmers and consumers have a right to be able to choose non-GMO products, she said.

Perry Aasness, assistant commissioner of the Department of Agriculture, testified against the bill. He said it is nearly impossible to make sure a product is entirely GMO free and called for the establishment of uniform GMO tolerance standards.

Troy Flanagan of the Grocery Manufacturers Association said no new state guidelines are needed, since the federal Food and Drug Administration recently adopted labeling guidelines for GMO food. Members defeated the bill on a 2-10 roll call vote.

In other business, the committee heard a bill, authored by Sen. Dallas Sams (DFL-Staples), that promotes the use of cleaner fuel. The bill, S.F. 813, provides grants and tax incentives to fuel retailers who install equipment that dispenses clean fuel.



*By graphic example, the State Patrol demonstrates the impact of seat belt use in saving lives by displaying, in front of the Capitol building, the wreckage of an automobile involved in a rollover accident. The car's occupants survived the crash thanks to the use of seat belts.*

Photo by Shelley Hawes



Tim Gerlach of the American Lung Association testified about the benefits of using E85 fuel, which contains 85 percent ethanol. Certain newer vehicles, he said, are “flexible fuel vehicles” that can use either E85 or standard gasoline. The network of stations that offer E85 needs to be expanded so drivers can take advantage of the clean fuel capabilities of newer cars, he said. The bill was approved and re-referred to the Environment and Natural Resources Committee.

Finally, Murphy presented S.F. 775. The bill is a technical change to the definition of E85 that allows natural gasoline to be blended with the ethanol. Natural gasoline is a condensate formed at natural gas beds, Murphy said. The bill was sent to the floor with a recommendation to pass.

## Commerce

### Regulatory reform approved

A bill to consolidate regulation of health plan companies dominated discussion at the Weds., Mar. 21, meeting of the Commerce Committee. Vice Chair Linda Scheid (DFL-Brooklyn Park) presided. The committee also heard three other bills.

The bill, S.F. 1083, creates consistent regulation of all managed care plans regardless of the health plan company offering the product. The legislation, carried by Sen. John Hottinger (DFL-Mankato), also contains consumer protection standards based upon existing laws and conforming, consolidating language. The bill exempts health plan companies with less than a five percent market share.

Hottinger said crafting the bill was a long process but one that resulted in the end goal—consolidating regulatory management for health plans in one department. Both the Dept. of Commerce and the Dept. of Health (MDH) support the consolidation of regulatory power into the Dept. of Commerce, he said. Health Commissioner Jan Malcolm said the bill is the first joint proposal in years to offer significant changes in the regulatory system. The proposed system offers common standards, more consumer friendliness and market flexibility, she said.

Sen. Deanna Wiener (DFL-Eagan) asked how the proposed legislation responds to changes in the marketplace.

Malcolm said health plan offerings have changed significantly over the last 20 years, leaving very few pure HMO or insurance indemnity plans available. Market trends have been towards the middle, she said.

According to Malcolm, current regulatory oversight is based on the licensure status of the parent company. Thus, a company licensed for insurance indemnity might be regulated differently from an HMO, even though both offer the same product, she said. The proposed standardized rules are based on the product being sold, Malcolm noted, thus clearing up any regulatory questions.

Assistant Commerce Commissioner Gary Lavasseur said the legislation does not mandate managed care in the industry, but recognizes a migration toward levels of managed care in health plans. Sen. Edward Oliver (R-Deephaven) asked what will happen if a growing health plan company passes the five percent threshold. Commerce Commissioner James Bernstein said the company will be expected to conform with the regulations. Mark Skubic said health plan coalitions he represents are concerned that the regulations inhibit innovation. If a health plan company reaches the five percent threshold, he said, it has to change its business model. John Gross, Dept. of Commerce, said a 5 percent share currently means \$167 million in premiums collected per year. As the market grows, he said, that figure will also grow.

Skubic said many of the small companies entering the market keep medical necessity decisions with primary care providers while larger companies are subject to review decisions. Hottinger said consumer protection laws that require large health plans to review medical necessity decisions were enacted because care providers were abusing the decision-making process. Companies above the five percent share threshold should be subject to consumer protection laws, he said, to maintain fairness in the market.

Representatives of the Minnesota Chamber of Commerce and Minnesota Business Partnership said the five percent threshold codifies the existing marketplace. Oliver offered an amendment to exclude new entrant companies and indemnity companies that do not practice managed care. Hottinger said the amendment addresses undefined problems and extends the absence of consumer protec-

tion too far. The amendment was not adopted.

The bill was approved and re-referred to the Committee on Health and Family Security.

Sen. Sheila Kiscaden (R-Rochester) carried S.F. 1147, which creates a temporary stop-loss fund account in the general fund. The bill reimburses health plan companies for 90 percent of claims paid between \$30,000 and \$100,000 per year for an enrollee whose employer is part of a purchasing alliance in Greater Minnesota. The bill, Kiscaden said, keeps premiums down by having the state serve as reinsurer for a narrow window of claims. The average annual cost, she said, is about \$310 per enrollee. The proposal expires Jan. 1, 2005.

Under the proposal, the commissioner of employee relations is required to study the impact of the fund on the availability of health care coverage in Greater Minnesota. The commissioner is also required to report the study’s findings by Feb. 15, 2003 and Feb. 15, 2004. If the plan works, Kiscaden said, then it should be expanded statewide.

The bill was re-referred to the Health and Family Security Committee with a recommendation to pass.

S.F. 1192, authored by Wiener, appropriates almost \$30 million for the next biennium from the health care access fund to reduce Minnesota Comprehensive Health Association (MCHA) assessments. The bill also requires a study on the private insurance pool for the individual market. The bill also designates state and local governmental units that participate in self-insured health plans as MCHA contributing members. Lynn Gruber, MCHA, said 26,000 people receive health insurance through the association. Its claims, she said, are growing at about 15 percent per year and small businesses currently bear the brunt of covering those losses. Wiener said it is only fair to make governmental units realize the same expenses they impose on non-self-insured entities. The bill was approved and re-referred to the Finance Committee.

Hottinger also carried S.F. 1204. The bill clarifies language in existing law regarding blood-borne pathogen tests. Under the proposal, tests cannot be used for the purpose of underwriting. Hottinger called the legislation important for consumer protection. The bill was recommended for the Consent Calendar.

# Committee update

## Crime Prevention

### Racial profiling debated

The Crime Prevention Committee met Fri., Mar. 16, to discuss three approaches to addressing racial profiling in Minnesota. Sen. Jane Ranum (DFL-Mpls.), chair of the committee, said that S.F. 386, the bill she authored with recommendations from the racial profiling task force, would serve as the omnibus vehicle.

Sen. Thomas Neville (R-Northfield) urged members to consider S.F. 982, the racial profiling measure he authored. He said the bill provides a strong legislative purpose and establishes a model anti-racial profiling policy developed by the Peace Officers Standards and Training (POST) Board. Under the bill, law enforcement agencies must adopt the policy based on the POST Board model and implement pre-service and in-service training curricula to include anti-racial profiling instruction for enforcement personnel. The bill requires the board to facilitate racial profiling awareness training seminars throughout the state and requires that all enforcement officers be subject to pre-hire psychological evaluations to assess the likelihood of racially-biased attitudes and behavior. Neville said he did not support the idea of conducting a racial profiling study because "We are already aware that there is a problem." He said he thought the collection of data should be on a complaint basis.

Sen. Linda Berglin (DFL-Mpls.), authored S.F. 903, a bill that approaches the racial profiling issue by requiring that a mandatory, 18-point questionnaire be included in an ongoing study of traffic stop data, with oversight by the attorney general's office. The bill also requires that the POST Board develop a model anti-racial profiling policy to be implemented throughout the state and requires that a Traffic Stop Statistics Advisory Committee be created to consult with the attorney general about implementation and enforcement of policy.

Sen. Randy Kelly (DFL-St. Paul) said he was interested in looking for actual perpetrators of racial profiling. He said that in lieu of data collection, he would endorse equipping squad cars with voice-activated video cameras to aid in officer safety and accountability. Kelly said the recorded traffic stop interactions could save the state in terms of fewer court cases

because people would be less likely to risk court costs once they viewed video recordings of their traffic stop interactions.

Sen. Jane Krentz (DFL-May Township) said, "I thought a primary concern with data collection was the cost—wouldn't the cost of video cameras be more?"

Kelly said he estimated a cost of \$4.5 million for purchasing and installing the video equipment in all Minnesota patrol cars. Kelly offered an amendment to appropriate money for grants to local law enforcement agencies for the installation of video cameras on police vehicles designed to record traffic stops.

Ranum said that video cameras could not capture all the information needed. She said that the state of New Jersey has implemented a system of data collection that includes the date, location, time of day, name of officer, driver's gender, number of passengers, ethnicity of passengers and the reason for the stop.

Prior to taking action on the amendment proposed by Kelly, Sen. Linda Berglin (DFL-Mpls.) questioned whether or not the POST Board had the capacity to give and receive reports as outlined in Neville's bill. Neil Melton, executive director of the POST Board, said they were not a statewide internal affairs unit and that the board would have to send complaints back to the individual enforcement agencies. However, Melton said that the board could facilitate the process.

Kelly said that, traditionally, the board was regarded as a regulatory agency but that their capabilities could be expanded to address the oversight issue. Melton said the board would have to consider staff, time and equipment needs because implementing the reporting provision in Neville's bill would be a substantial change in responsibilities. Berglin said that other regulatory boards [in healthcare] are regulated by the Attorney General's Office. Melton said the board is currently assigned legal counsel through the Attorney General's Office via the Department of Public Safety (DPS).

Ranum said, "I have a problem with videos as a solution. I have a lot of questions about how it works, about how questions are asked by officers, about the capacity of the cameras and I have concerns about the expenditure accompanying this."

State Patrol Colonel Anne Beers said the patrol currently has 105 video cameras installed in squad cars and that they have had great success with them. She said they have been very helpful in DWI prosecutions. She said videos are only viewed once a complaint has been made.

Sen. Satveer Chaudhary (DFL-Fridley) said that DPS Commissioner Charlie Weaver said in the task force report that the first step to take toward remedying the racial profiling problem is to gather reliable data. Chaudhary said, "We keep hearing about how objective video cameras are, but videos were used in the Rodney King case and those officers were acquitted."

Members amended Kelly's video camera amendment into S.F. 386, the racial profiling omnibus bill and included the "concepts" outlined in the introduction to Neville's measure, along with adopting the voluntary data collection provision. The bill was approved and referred to the Judiciary Committee.

Ranum presented S.F. 1414, a measure to amend the third and fourth degree sexual conduct statute to include sexual penetration of an inmate of a state or local facility. Under the bill, "consent" is not allowed as a defense.

Department of Corrections Commissioner Sheryl Ramstad-Hvass said that approximately 8 cases of sexual misconduct have been alleged in the past 24 months.

Amnesty International Midwest Regional Director Nancy Botchne said that the forcible rape of women in custody is considered a form of torture. She also said that the international policy is to prohibit cross-gender guarding, but that in the U.S., employment law prohibits discrimination based on gender.

Members approved the measure and advanced it to the floor.

### BCA fee bill approved

The Crime Prevention Committee met Weds., Mar. 21, to act on a variety of bills. One measure, S.F. 1478, generated considerable discussion. The bill, sponsored by Sen. Thomas Neville (R-Northfield), authorizes the Bureau of Criminal Apprehension (BCA) to charge a \$5 fee for Internet access to criminal history data. Neville said that currently, the data is available through a terminal located in the lobby of the BCA building or through county records, but is not available on-line.

Neuville said that he is reluctant to charge for public information, but that doing so is the only way funding is available to have the information through the Internet. In addition, he said that the aim of the BCA is to cover the start-up and maintenance costs of the web site and then discontinue charging the fee.

Karen McDonald, director of the Criminal Justice Information Services Section, said that the fee is needed to cover start-up costs associated with providing the information on the Internet. She said the BCA must provide a separate database server and maintain and update the information available. McDonald said that one of the more important functions of the site is to provide information and service for individuals who are directly affected by having criminal history data available.

The bill specifies that the BCA web site must include a notice to the subject of the data of the right to contest the accuracy or completeness of the data. In addition, the web site must also include a description of the types of criminal history data not available on the site.

Sen. Warren Limmer (R-Maple Grove) said that history has shown that once a revenue stream is initiated, it is difficult to stop the process. He offered an amendment specifying that the BCA may charge the fee through Aug. 1, 2005. Members adopted the amendment.

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

In other action, the committee advanced an additional five bills. S.F. 1043, authored by Sen. Satveer Chaudhary (DFL-Fridley), is a housekeeping bill for the Peace Officers Standards and Training Board. The measure makes a number of technical changes in the statutes relating to the Board. The measure was approved and sent to the Senate floor.

A second bill authored by Chaudhary, S.F. 969, allows police officers to execute search warrants on foreign corporations doing business in Minnesota to search for electronic evidence. Chaudhary said the bill provides new tools in dealing with the growing problem of child pornography on the Internet. St. Paul Police Sergeant Brooke Schaub, speaking on behalf of the Minnesota Internet Crimes Against Children Task Force, said that the bill makes it easier to obtain evidence against perpetrators by allowing search warrants to be executed on Internet service providers

outside Minnesota. The bill also increases the maximum penalty for dissemination of child pornography from 5 to 7 years imprisonment for a first offense and from 10 to 15 years for second and subsequent offenses.

Chaudhary offered, and the committee adopted, an amendment extending the attorney general's and county attorney's authority to issue administrative subpoenas for records of subscribers of private computer networks including Internet service providers or computer bulletin board systems. The bill was approved and re-referred to the Judiciary Committee.

Two measures authored by Sen. Jane Ranum (DFL-Mpls.) were also approved. S.F. 1347 requires a sex offender assessment for repeat felony sex offenders. Steve Huot, Dept. of Corrections, said the bill is part of an ongoing interdepartmental cooperative effort in the treatment of serious sex offenders. He said the goal is to make treatment more effective and efficient and to improve confinement for those offenders refusing treatment. The bill was advanced to the floor. The second measure, S.F. 1428, clarifies the impaired driving consecutive sentencing provisions. The measure was recommended for placement on the Consent Calendar.

A bill relating to apartment manager background checks was also approved and recommended for the Consent Calendar. S.F. 1047, sponsored by Sen. David Knutson (R-Burnsville), specifies that background checks must be conducted if the manager has resided in Minnesota for less than ten years, rather than the five years specified in current law.

## Education

### School readiness discussed

The Early Childhood Education Subcommittee met Thurs., Mar. 15, and heard bills concerning school readiness, at-home infant child care and childhood family education funding. Sen. Becky Lourey (DFL-Kerrick) presided. The members considered the bills for possible inclusion in the committee's final recommendations to the full Education Committee, but did not vote on any legislation.

Senators Leo Foley (DFL-Coon Rapids) and Sandra Pappas (DFL-St. Paul) presented bills that modify school readiness programs. Foley carried S.F. 676, which changes the formula for calculating

funding for readiness programs. Marilyn Wolker-Stofer, Anoka-Hennepin school readiness supervisor, said the current system prevents schools from knowing in advance how much funding will be available for programs. "Last year," she said, "I decreased staff hours. I decreased collaborations. I decreased some programming. But, it worked out that I had enough money to do some of those things." She said that changing the formula allows schools to plan more effectively. The bill also increases the funding level by 5 percent and limits the use of funding to school readiness efforts.

Pappas sponsored S.F. 877, which makes several changes to school readiness programs. The bill emphasizes that school readiness programs must provide a continuum of services and work in collaboration with community services. For instance, the legislation provides that school districts may contract with private businesses as well as public and nonprofit organizations to provide school readiness programs.

The bill also requires schools to work in closer cooperation with Head Start and child care providers and to share school readiness information with school readiness providers to facilitate the transition between the two programs. The legislation makes the commissioner of children, families, and learning responsible for working with school readiness programs and school districts to develop standards for the programs.

Gail Roberts, who coordinates school readiness for the St. Paul school district, said, "Because of the flexibility of the legislation, each community can build its own programs based on the resources available to it."

Sen. Claire Robling (R-Prior Lake) offered legislation concerning the at-home infant care program, which gives financial assistance to low-income parents who stay home to care for their infant children. The bill, S.F. 485, increases the level of funding from 75 percent to 90 percent of the rates given to people who receive financial assistance to pay licensed child care. The average award, said Robling, has been \$300 per month and the bill increases the average by about \$40 per month. She said that despite the additional funding, the bill still saves the government money, because if the children went to child care, the state would pay for all of the expenses. She also said that the program helps

# Committee update

alleviate the almost crisis need for infant child care providers.

Robling said the purpose of her bill is to increase the usage of the program. Last year, said Cherie Kotilinek, supervisor of CFL childcare assistance, 372 families used the program. Robling said of the \$1 million appropriated last year only \$760,000 was used. Sen. Jane Ranum (DFL-Mpls.) asked whether the program was advertised. Robling said CFL includes the program description in all the information it gives to communities about child care options, but no other advertising efforts had been made. "I think word of mouth for this kind of thing is probably best, but we haven't had much of it because it's only been around a year," she said.

Robling offered an amendment that decreases the maximum lifetime award in the bill from 36 months to 12 months and makes some technical changes. The amendment was adopted.

Sen. Ann Rest (DFL-New Hope) presented S.F. 671, which increases Early Childhood Family Education (ECFE) funding. "I don't think there is a parent alive who doesn't think they are their children's best teacher. These programs acknowledge and celebrates parents as teachers and parents as learners." The bill appropriates \$21.3 million in FY02 and \$31.9 million in FY03 to help ECFE fill unmet needs such as programs large enough to accommodate all families and outreach to families in need.

Sue Stoner, family education coordinator for Moundsview Public Schools, said that providing programs to a wide range of families, not only the families most in need, strengthens the bonds between community members from different backgrounds and reduces the stigma attached to public programs. She said funding has not kept up with inflation and family education programs have had to accept fewer participants, cut staff and eliminate special events.

## Technology initiatives heard

Sen. Satveer Chaudhary (DFL-Fridley) convened the Education Technology Subcommittee Meeting Thurs., Mar. 15, to hear testimony and discuss technology initiatives for possible incorporation in a technology proposal for the Education Committee.

Among proposals discussed were a virtual state high school and a MnSCU

digital satellite for one-way communication. A Department of Administration and University of Minnesota joint powers agreement that makes digital satellite resources more widely available and a state-wide, web-based learning program were also discussed.

Mary Lillesve, director of curriculum and instruction for the Department of Children, Families and Learning, said Jessie Montano, of CFL, formed a work group, comprised of a broad spectrum of education professionals. The group's mission is to discuss its vision for on-line distance learning. The work group also addressed the components needed for on-line learning to work for children, she said. "Making sure there is equitable access to high-quality on-line classes is imperative," she said.

Sen. Steve Kelley (DFL-Hopkins) asked what steps need to be taken first for on-line learning to advance. Lillesve said a state-wide coordination through CFL needs to take place. Following the coordination, a review of laws, rules and policy that impact on-line learning needs to be addressed, she said. Funding formulas and how they would impact on-line learning needs to take place, she said, because the present attendance-based funding formula would not apply to distance learners.

## Care and education bills heard

Bills relating to child care resource and referral programs, school readiness programs and Head Start, were heard during the Tues., Mar. 20, Early Childhood Education Subcommittee meeting. All bills were offered for subcommittee discussion and input prior to full committee presentation. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick) took no formal action on the bills.

Members continued their discussion of S.F. 877, a bill that establishes pilot projects to provide early childhood care and education for every child from birth to age five in designated neighborhoods. The measure's chief author, Sen. Sandra Pappas (DFL-St. Paul), said, "The bill offers an opportunity to gather resources together for school readiness programs." The measure addresses the needs of children who are either not eligible for the Head Start program or are on the waiting list to enter the program, she said.

An amendment was offered by Pappas that allows community-based organizations

to also apply for the grants. Under the amendment, pilots take place in catchment areas where over 70 percent of families are eligible for the free or reduced school lunch programs, she said.

Sen. Lawrence Pogemiller (DFL-Mpls.), said, "I don't think there is any way to expand school readiness through the districts. We should work off the amendment because it is likely you'll get more nimble and creative ways to get the job done from community-based programs." He said it would also be less costly for community-based programs.

He said, "There is some disagreement on who should be in charge of early childhood education—the district or community." Sen. Julie Sabo (DFL-Mpls.), said there is support for district programs in the education community but the district is faced with unsustainable costs. She said the early childhood care and education system needs professional development, which presently lacks a significant teaching component.

"Policy-wise, we should strive to get K-12 and early childhood education to move together and drive significant money into early childhood education," said Pogemiller. "One dollar in early childhood education is worth more than a dollar put into K-12 education," he said. Further, he proposed re-crafting the amendment into a bill, adding funding, designing a framework for current providers to collaborate, creating needed changes in the market place and supplying resources. He also suggested rescinding the pilot programs. He said, "If we put \$30 million to \$40 million to drive this, you would be surprised at the results in 5 to 6 years."

Sabo authored S. F. 1055, a bill appropriating \$1 million for child care resource and referral programs.

Testimony in favor of the bill was given by Nancy Johnson, executive director of the Minnesota Child Care Resource and Referral (CCR&R) program. "CCR&R is a state-wide system supports parents, providers and local communities in finding, planning for and providing affordable, quality child care," she said. The agency tracks demand from parents and in 2000, staff spoke with over 41,000 parents, she said. The agency also connects families, providers and community members to child care information and resources and collects and maintains a supply data base on over 1,600 licensed

child care providers. "The Child Care Research and Referral program is sought after because of our comprehensive, complete and updated data base," she said.

Johnson said the agency works at strengthening the child care delivery system through training, recruitment and retention of providers, she said.

Johnson highlighted the CareQuest program, which works with local companies on behalf of the CCR&R network. CareQuest allows the agency to connect with employees and search for quality day care providers, said Johnson. "It brings the business community to the realization that child care is a big part of attaining and keeping employees," she said.

Mary Wynne, CCR&R training director, said, "The bill allows more time for training and thereby, enhances the child care quality in the state." Johnson agreed and said, "We need to be looking at if we are providing good quality care for infants and toddlers because it is all getting kids ready for school."

Sen. Becky Lourey (DFL-Kerrick) authored S. F. 1170, a bill appropriating \$55.750 million for Head Start programs. Lourey said the bill increases the hold harmless provision for Head Start grantees under present law. She said the bill includes a \$10 million appropriation that must be used for full-year programming for children ages birth to three.

## E-12 Education Budget Division

### Bills heard

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls) met Mon., Mar. 19, to hear several bills that were laid over for possible inclusion in the omnibus bill.

S. F. 853 was presented by Sen. Dean Johnson (DFL-Willmar). He said the bill expands integration revenue to all state school districts who implement desegregation plans. Currently, he said, integration

revenue is limited primarily to the Minneapolis-St. Paul School Districts.

Testimony supporting the bill was given by Kathy Leedon, Willmar School District superintendent. She said there has been a significant increase in Latino students from 1988 to 1998. She said the district is required to implement an integration plan as a result of an Office of Civil Rights audit and federal lawsuit. The district implemented several measures including increasing the number of ESL teachers and increasing interpreting efforts, she said. However, she said, several cuts to the expanded integration efforts are necessary if funding is not increased, especially because a referendum was just defeated. She said, "If we don't keep investing in desegregation plan funding, we can't maintain improvement." Sen. Roger Moe (DFL-Erskine) presented S. F. 345, a bill modifying the method of counting pupils. Moe said, the bill eliminates the average daily membership counting process, which occurs every



*With mother, Bonnie, observing, eight-year-old Erin Epelding relates her experiences with home schooling to members of the Senate Education Committee during a hearing on Weds., Mar. 21.*

Photo by David J. Oakes

# Committee update

school day, and creates an average count upon which revenues to school districts are paid. He said the new method is a single annual count in the third week of September.

Sen. Michelle Bachman (R-Stillwater) said, "You may want to consider an amendment to add an April date as well for growing districts." Moe said, "It may be reasonable to have a date at the beginning and end of the school year."

Sen. David Tomassoni (DFL-Chisholm) authored S. F. 623, a bill modifying the general education revenue isolation index. Tomassoni said the bill makes two changes to the sparsity formula—the first is a simple mathematical calculation and the second requires data that is currently unavailable, so the costs are somewhat speculative, he said. Tomassoni said, in the first change, the multiplier is changed in the formula from .55 to .95, which is used in the calculation of the isolation index portion of the formula. He said the increase in the multiplier allows increased dollars to be paid to sparsity-eligible school districts. The second change, he said, alters the definition in the isolation index from the distance between the student's high school and the nearest high school, to the average distance to "high schools in bordering districts."

Floodwood School District Superintendent Rob Benson, testified in favor of the bill. He said, "Small isolated schools could not operate without sparsity aid." Floodwood serves five more townships with the new formula, he said.

Tomassoni also presented S. F. 482, a bill increasing declining pupil unit aid. He said the bill repeals the current marginal costs pupil accounting measurement and replaces it with a three year average measurement.

S. F. 778, also authored by Tomassoni, increases funding for school lunches. He said the bill increases state reimbursement for school lunches from 8 cents to 14 cents and increases the free and reduced price breakfast reimbursement from 10.5 cents to 12 cents. Additionally, he said, the eligibility level is reduced from 33 percent to 30 percent.

Polly Podpeskar, Grand Rapids Public Schools food and nutrition director, said the present program only covers 70 percent of school lunch programs and the district must reimburse the remaining 30 percent out of the general fund. She said, "There

has only been one increase to the program since 1991 and another increase is badly needed."

Sen. Charles Wiger (DFL-North St. Paul) authored S. F. 759, a bill that modifies the adults with disabilities program. Wiger said 50,000 Minnesotans with disabilities participate in life-long learning programs through community education programs. He said the bill modifies the present program by eliminating the need for CFL program approval, but requires proposals and budgets be submitted to CFL once every five years. The bill requires CFL monitoring and technical assistance to the adults with disabilities program and requires current programs to receive the same or greater funding amounts. Further, the bill expands the number of programs eligible to qualify for funds to any program that submits a proposal to CFL.

Eric Nauman, education fiscal analyst, said, "The fiscal impact of the bill is expected to be gradual because it typically takes several years for a district to build the out reach base for the program."

Several witnesses testified in favor of the bill, including Eric Franzmeier, a program participant. Franzmeier said, "I got to play baseball under the lights at 8 at night and it's kind of fun because I played with older adults and they played with us." Wiger said the program provides interaction with adults who have no disabilities.

S. F. 447 was presented by Sen. Jane Ranum (DFL-Mpls.). She said the bill provides special education programs in care and treatment facilities and is a follow-up to a 1999 bill. Under the bill, special education is required to begin within three days of entering a program, she said. Ranum put forth an amendment that adds "group homes" to the list of care and treatment facilities. The amendment was adopted.

S. F. 592 was presented by Sen. John Hottinger (DFL-Mankato). He said the bill appropriates a grant, in the amount of \$460,844 to the St. Peter School District for declining pupil aid. He said estimates and pro-rating caused a loss in funds from the original 1999 grant to the school district, which was made to assist the district because of lost funding due to declining enrollment from the 1998 tornado.

Gill Carlson, superintendent of the St. Peter School District, said, "We are not asking for new money but for new legisla-

tion to replace the lost income from the 1999 legislation."

## Higher Education Budget Division

### Youth outreach programs considered

The Higher Education Budget Division, chaired by Sen. Deanna Wiener (DFL-Eagan), heard three bills Mon., Mar. 19. All three bills were set aside to be considered for inclusion in the omnibus bill once spending targets are set.

S.F. 1349, sponsored by Sen. Roger Moe (DFL-Erskine), appropriates \$500,000 to establish the Rural Minnesota Technology Service Center at the Crookston campus of the University of Minnesota. Moe said the goal of the center is to address the shortage of information technology support services for rural businesses.

Jerry Nagel, president of Northern Great Plains, Inc., called the center a "911 for technology." He said it provides an unbiased assessment of technology needs and costs to rural businesses. Sen. Bob Kierlin (R-Winona) asked how the center intends to finance its work once the initial bridge appropriation runs out. Nagel said the center charges a small fee for its services. However, he said, the service cannot be completely turned over to the private sector since there is a shortage of private vendors in rural Minnesota.

Sen. John Hottinger (DFL-Mankato) presented S.F. 188, a bill appropriating \$568,000 over the biennium to expand the talented youth math program operated by the Minnesota State University in Mankato (MSU). Quintin Pettigrew of the College of Science, Engineering and Technology at MSU said the program gives talented students the opportunity to study advanced calculus in high school. Technological advances, he said, now make it possible to offer the classes through interactive television, and the university would like to expand the program to reach rural school districts throughout the state.

S.F. 1254, sponsored by Sen. Cal Larson (R-Fergus Falls), appropriates \$60,000 over the biennium to support the Science, Technology and Engineering Preview (STEP) summer camp for girls sponsored by Alexandria Technical College. John Siems, instructor at Alexan-

dria Technical College, said the program familiarizes girls entering seventh grade with careers in manufacturing and engineering during a week-long camp session. Seed money from foundations will soon be unavailable, Siems said, so the program is exploring the possibility of corporate support. Meanwhile, the program needs funding from the Legislature, he said.

## Environment and Natural Resources

### Salt pile regulation approved

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), considered a bill Thurs., Mar. 15, that regulates maintenance of salt stockpiles. Members approved the bill, S.F. 1105, after adopting several amendments.

Krentz explained that environmental damage occurs when chloride and cyanide leach into rivers and groundwater from salt piles. The bill, she said, outlines conditions for storing more than 100 tons of salt, including requirements that the salt be stored on an asphalt base with low permeability and be covered with a wind resistant material that prevents precipitation from reaching the salt, except during loading and removal of salt. Krentz said the storage conditions are taken from best management recommendations of the Salt Institute.

Keith Cherryholmes of the Pollution Control Agency said a 1999 study revealed chloride and cyanide levels in excess of water quality standards at the point where runoff from salt piles enters the Mississippi River. Krentz said, "Much of this pollution can be easily prevented if we just ensure that salt is properly stored."

Richard Hanneman, president of the Salt Institute, spoke in opposition to the bill. He said he strongly encourages people to follow the best management practices outlined by the institute, but opposes turning the guidelines into a mandate. He also pointed out that the anti-caking agent used in salt is not pure cyanide, but ferrocyanide, a chemical that has shown no evidence of toxicity even at high levels.

Judy Bodway, economic development director for the city of Winona, expressed some concerns about the bill. She asked if storage sites would have to be remodeled whenever a lower permeability asphalt is

developed, and she also objected to the requirement that salt covers be resistant to winds up to 69 miles per hour, since local manufacturers only issue warranties for 50 to 60 miles per hour.

In response, Krentz offered an amendment specifying that sites be constructed with the lowest permeable asphalt available "at the time of construction." She offered a second amendment changing the required wind resistance from 69 to 50 miles per hour. Both amendments were adopted.

Sen. Pat Pariseau (R-Farmington) questioned a provision in the bill requiring the working face of a salt stockpile to be maintained at the downwind end of the stockpile. She said such a mandate is unworkable with some salt piles she has seen that are only approachable from one direction. Krentz pointed out that the mandate only applies when "operationally feasible."

Nathan Richman of the Minnesota County Engineers Association said he agrees with the environmentally sound objective of the bill, but opposes its regulatory nature. He also said townships will have problems funding any needed renovations by the time the bill takes effect. In response, Sen. Dennis Frederickson (R-New Ulm) offered an amendment saying townships have until Sept. 1, 2003 to comply with the regulations. The amendment was adopted. The bill was sent to the State and Local Government Operations Committee with a recommendation to pass.

### Conservation tax credit approved

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), acted on eight bills Tues., Mar. 20. A tax credit proposed in S.F. 1281, sponsored by Sen. Edward Oliver (R-Deephaven), sparked considerable interest. The bill provides a tax credit to landowners for 50 percent of the fair market value of land donated for conservation purposes. A tax credit, as opposed to a deduction, is subtracted directly from income taxes owed, Oliver said. The bill, along with a federal program that provides a tax deduction for the fair market value of donated land, provides a financially viable option for landowners who wish to voluntarily preserve land, he said.

Gabrielle Horner of the Nature Conservancy said, "We think this will

really stretch the state's conservation dollars." Under the bill, a conservation organization has the right to refuse to accept any land that does not have particular conservation value, she added. The bill was approved and re-referred to the Tax Committee.

Sen. Dennis Frederickson (R-New Ulm) sponsored S.F. 601, which appropriates \$500,000 to fund a regional sludge management demonstration project. Nine cities, among them Arlington, Litchfield, and Maple Lake, formed a joint powers board to investigate the possibility of using a belt press to deliquify sludge, which is a wastewater byproduct, Frederickson said. Tim Korby of LHB Engineers and Architects said the project can help cities that run out of sludge storage space when wet conditions make it difficult to spread sludge in fields. The bill was sent to the Finance Committee with a recommendation to pass.

S.F. 1613, carried by Sen. David Knutson (R-Burnsville), expands a procedure used to expedite the air quality permitting process to all Pollution Control Agency (PCA) permitting programs. Kristen Applegate of the PCA said the program allows permittees with particularly time-sensitive projects to reimburse the agency for overtime needed to process the permit outside the normal permit queue. Sen. Dan Stevens (R-Mora) offered an amendment requiring that expedited permits be processed within a time period set by the agency, or the permit fee is refunded. Knutson said the amendment does not work, since many time factors are out of the control of the agency. The amendment was withdrawn. The bill was sent to the floor with a recommendation to pass.

Sen. Mark Ourada (R-Buffalo) authored S.F. 897, a bill increasing the percentage of property owners needed to create a lake improvement district (LID) from 26 percent to 51 percent. Members adopted an amendment providing that 26 percent of property owners can petition for the formation of a LID, but 51 percent support is needed to create the LID in the final referendum vote. The bill was approved and sent to the State and Local Government Operations Committee.

Frederickson also carried S.F. 1164, a bill providing that anyone not prohibited from owning agricultural land under corporate farm law may enroll in the Reinvest in Minnesota easement program.

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Members adopted an amendment increasing the maximum reimbursements for land restoration to reflect inflation. The bill was approved and sent to the floor.

S.F. 1479, also sponsored by Frederickson, changes the agency that is responsible for preparing an intended use plan detailing wastewater treatment and storm water projects to be funded. The Public Facilities Authority, rather than the PCA, must submit the plan to the U.S. Environmental Protection Agency. Frederickson said the bill coordinates wastewater and drinking water funding requests. Members adopted an amendment, offered by Frederickson, that provides an incentive for cities to develop in less environmentally sensitive areas. The bill was sent to the floor with a recommendation to pass.

S.F. 1351, authored by Sen. Jane Krentz (DFL-May Township), extends the sunset date for the Solid Waste Management Advisory Council and the Prevention, Reduction and Recycling Advisory Council to June 30, 2003. The bill was sent to the State and Local Government Operations Committee with a recommendation to pass.

Finally, members considered S.F. 1346, authored by Sen. Bob Lessard (IND-Int'l. Falls). The bill makes numerous technical changes to statutes regarding the Department of Natural Resources, clarifying certain provisions and deleting others that are obsolete. Members amended the section regarding removal of a submerged vehicle from state waters, providing that a political subdivision may petition the DNR to extend the 30 day removal deadline if special circumstances require a longer time period. The bill was okayed and forwarded to the floor.

## Tax-forfeited land sales heard

The Environment and Natural Resources Subcommittee on Public Lands and Waters, chaired by Sen. Twyla Ring (DFL-North Branch), met Tues., Mar. 20, to hear bills related to sale of tax-forfeited land.

Most of the bills were noncontroversial. However, S.F. 1314, allowing for sale of land on Hungry Jack Lake in Cook County, elicited considerable debate. Sen. Douglas Johnson (DFL-Tower), author of the bill, explained that a land exchange between the county and the U.S. Forest Service makes it possible for a resort owner to buy the land he currently leases. Jerry

Parson, owner of Hungry Jack Lodge, said, "We're a first class operation, we're proud of what we do, and we would just like to own the land we occupy." Lake resident Jerry Pearo said the resort has been a good steward of the land.

Gwen Myers and Tom Lentz, land-owners on the lake, contended that the lots adjacent to, but not currently occupied by the resort, should be sold at a public auction. Sen. David Knutson (R-Burnsville) offered an amendment providing that the parcel of land behind the resort be sold privately to the resort, and lots adjacent to lakeshore be sold publicly. The amendment was adopted and the bill was approved.

The committee also heard testimony on the Maplewood Library in Ramsey County, which wishes to open a coffee shop for library patrons. S.F. 507, authored by Sen. Charles Wiger (DFL-North St. Paul), allows a private vendor to operate on library property. Librarian Alice Jo Carlson said a portion of the proceeds from the coffee shop will go to the library. Members approved the bill after clarifying that the language allows a private coffee shop to operate.

In addition, members also approved bills for sale of tax-forfeited land in the following counties: St. Louis County, S.F. 745 and S.F. 168; Lake County, S.F. 1483, Meeker County, S.F. 126; Washington County, S.F. 117 and S.F. 1337; Ramsey County, S.F. 1550; Aitkin County, S.F. 1053; and Hubbard County, S.F. 1126.

The committee also approved two bills sponsored by Sen. David Tomassoni (DFL-Chisholm). S.F. 489 allows private easements across tax-forfeited land for access to private property, and S.F. 764 allows a county to subtract costs involved in the sale of land from the amount required to be deposited in an environmental trust fund. All of the bills were incorporated into S.F. 1126, sponsored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), and sent as an omnibus bill to the full Environment and Natural Resources Committee.

## Environment and Agriculture Budget Division

### Disease control, park spending heard

The Environment and Agriculture Budget Division heard seven bills Thurs.,

Mar. 15, as members began consideration of what to include in the omnibus spending bill. Committee Chair Leonard Price (DFL-Woodbury) presided.

Six of the bills were set aside after being heard by the committee to be considered for inclusion in the omnibus bill. S.F. 432, authored by Sen. Roger Moe (DFL-Erskine), provides funding for research on potato disease. The bill appropriates \$300,000 for the biennium in grants to the University of Minnesota. Bruce Kleven, representing the Red River Valley Potato Growers, said the potato growers have independently raised two dollars for every dollar they are requesting from the state.

S.F. 430, carried by Sen. Jim Vickerman (DFL-Tracy), appropriates \$2 million for the biennium to research soybean diseases such as white mold, root rot and soybean chlorosis. University Extension Entomologist Ken Ostlie spoke on the danger posed by the recent detection of the soybean aphid in Minnesota. He said the insect, which originated in Asia, can prosper in Minnesota's environment.

Sen. Ellen Anderson (DFL-St. Paul) presented S.F. 578, a bill appropriating \$1.8 million to restore the East Como Lake trail in St. Paul. Liz Anderson, deputy director of parks and recreation for the city of St. Paul, said the existing bike and roller blade trail has been marked off from the main road for 17 years by a series of concrete curbs originally meant as a temporary fix. The current situation also allows runoff to flow directly into the lake, she said. Sen. Jane Krentz (DFL-May Township) suggested that the park attempt to obtain partial funding support from the city, since the project involves fixing a local road.

Sen. Charles Berg (R-Chokio) sponsored S.F. 1137, which appropriates \$500,000 over the biennium for beaver damage control grants. David Lanning of the Red Lake Watershed District said the subsidy amounts to \$13 per beaver. He explained that trappers are unwilling to take beavers out of season when their pelts are thin, so a subsidy is needed.

S.F. 748, carried by Krentz, provides \$15 million over the biennium to Metropolitan Area regional parks. John Vondelinde of Anoka County Parks said the state currently provides 8.5 percent of maintenance and operations funding, while the majority of funding is provided



by local taxpayers. The bill increases state support to 15 percent. "The bill creates a fairer balance between who pays for and who benefits from the regional park system," Vondelinde said.

Krentz also carried S.F. 826, a bill appropriating \$3 million for the acquisition of private land within state park boundaries. Judy Erickson of the Parks and Trails Council said there are willing sellers for over \$4 million worth of land, and the state should act while the land is available.

Finally, S.F. 703, presented by Kenric Scheevel (R-Preston), was sent to the Finance Committee with a recommendation to pass. The bill waives or refunds certain civil fines levied on dairy producers between April 13 and August 1, 2000. Scheevel explained that the bill corrects a mistake made last session, when a bill reducing fines on producers who inadvertently ship adulterated milk failed to specify the April effective date. Doug Engbretson of the Department of Agriculture said the agency supports the bill.

## Finance

### Trooper training approved

The full Finance Committee convened Weds., Mar. 21, to consider three bills on referral from other committees. Sen. Douglas Johnson (DFL-Tower), chair of the committee, welcomed Senators Dean Johnson (DFL-Willmar), Don Samuelson (DFL-Brainerd), and Linda Higgins (DFL-Mpls.) to present the bills.

S.F. 152, authored by Dean Johnson, appropriates trunk highway money for state trooper training and recruitment. The bill also requires the commissioner of public safety to report on the cost-effectiveness and efficiency of the patrol's academy program. Col. Anne Beers of the State Highway Patrol said numerous retirements have created a severe shortage and the patrol needs to accelerate existing plans to replace training programs lost at Camp Ripley. Beers and Dean Johnson both said the timing of the bill is critical because the patrol badly needs to lay groundwork for a class to start in June of this year. The bill was approved and referred to the floor.

Samuelson presented S.F. 857, which reallocates \$7 million in bond money for renovations at Gillette Hospital. Samuelson said the legality of bond money for the project has been challenged so the bill trades the bond allocation for an equal

amount in general fund dollars from the transportation budget. The bill only changes the type of funding and makes no net change in the total amount for transportation or for the hospital. The bill was approved and re-referred to the Capital Investment Committee.

The Higgins bill, S.F. 244, was approved and placed on the Consent Calendar. It corrects a misnamed recipient in a bonding bill passed in a previous session.

## Health and Family Security

### Child support bill discussed

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Mar. 19, to consider seven bills.

Sen. Linda Berglin (DFL-Mpls.) presented S.F. 1364, a bill to reform current laws relating to medical support and child support. Under the bill, a new "income shares" formula is established for calculating child support that includes basic support, child care support and medical support of a child using the parents' combined income. Berglin said those with lower incomes will pay less and those with more will pay more, as a result of the bill.

Department of Human Services (DHS) spokesperson Christa Anders said that current child support guidelines are not tied to economic research in terms of the costs involved in raising children. She said that the largest obligation is based on the non-custodial parents income and that current guidelines do not address parents responsible for multiple families. In some instances, she said, the custodial parent is better positioned to assume the larger portion of child support costs and the new formula attempts to provide more equitable sharing of financial responsibility. She said the bill was created following two years-worth of research and applies to all child support cases, not just those involving public assistance.

Other provisions include new criteria that a court must consider in determining appropriate health care coverage for children and expands the medical support bonus incentive program. The bill was laid over for further discussion.

Sen. Don Samuelson (DFL-Brainerd) presented S.F. 683, a measure to allow property tax relief for costs associated with out-of-home placement. In order for

counties to qualify for the tax relief, counties must invest a portion of that relief into early intervention services.

Houston County Commissioner Kevin Kelleher told members that the bulk of human services resources are consumed by child placement costs. Kelleher said the escalating costs of placement services is draining funds from other programs such as chemical dependency treatment. "Unfortunately, chemical dependency is often related to the child abuse and neglect problems we're seeing in placement cases," he said. Members approved the bill and re-referred it to the Tax Committee.

Samuelson also carried S.F. 1256, a measure that clarifies the prospective review process for radiation therapy facilities. Under the bill, if a provider fails to submit a timely and complete expenditure report to the commissioner of health, related to major purchasing, constructing or the leasing of a radiation therapy facility, the commissioner must make all of the provider's subsequent major spending commitments subject to prospective review and approval. Samuelson said the bill addresses the duplication of expensive facilities and equipment that is designed for specific applications. He said that consumers pay the price of uncoordinated or duplicated expenses that are tacked on to health care costs. President of Minnesota Oncology Hematology Dr. Tom Flynn said he objected to the bill because of the potential inconvenience for cancer patients. Radiation facilities are located in outlying areas, he said, to make it easier for very sick patients to travel for treatments. He said the majority of the radiation facilities in the Metro Area are provided by a single group and that hospitals are not required to go through the review process. He said the bill discourages competition and that his group would be the only one in the state subject to prospective review. Members approved the bill and advanced it to the floor.

Sen. Sheila Kiscaden (R-Rochester) authored S.F. 1398, a measure that modifies maternal death reviews conducted by the commissioner of health. The bill allows the commissioner of health to conduct maternal death studies, monitoring deaths that occur during pregnancy or within 12 months of birth. Kiscaden said the proposal reinstates a previously repealed provision allowing the Health Department to review death records. The information is needed in

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order to help identify and target future resources in coordination with the Minnesota Maternal Mortality Review Project (MMRP). The measure gives the commissioner access to medical data, medical examiner data and health records without the consent of the parent, spouse, other guardian or legal representative of the subject. Provisions specify data privacy restrictions and family notification procedures. Members voted to recommend the bill to pass and re-referred it to the Judiciary Committee.

Kiscaden also authored S.F. 1397, a measure related to the DHS licensing bill. The bill deletes language that is duplicated in S.F. 880, which recently passed out of the Health Care and Family Security Committee and incorporates technical changes requested by DHS. An amendment was adopted to require that license holders must ensure that training be provided infant caregivers related to reducing the risk of sudden infant death syndrome. Other provisions relate to data practices, the inspection of juvenile residential programs and background studies. The bill was recommended to pass and re-referred to the Judiciary Committee.

Sen. Thomas Neuville (R-Northfield) presented S.F. 1522, a bill allowing providers serving chemically dependent or mentally ill persons to become eligible for a group residential supplemental rate. Neuville said the measure allows funding for a higher level of care. Following testimony concerning successful outcomes attributed to programming at the Minnesota Teen Challenge facility, members approved the bill and re-referred it to the Finance Committee.

S.F. 934 was presented by Sen. Linda Higgins (DFL-Mpls.). Higgins said the bill removes a sunset provision from a 1996 law that made persons with addictions eligible for Supplemental Security Income including General Assistance, General Assistance medical care and group residential housing. "This population needs to be cared for; they don't go away," she said.

## Prescription reform debated

Sen. Dallas Sams (DFL-Staples), chair of the Health and Family Security Committee, convened an evening meeting Mon., Mar. 19, to hear a testimony on two prescription drug bills. Groups representing the pharmaceuticals industry, medical professions, pharmacies, and consumers

were present to give varied points of view.

The first of the bills, S.F. 765, is authored by Sen. John Hottinger (DFL-Mankato). The bill establishes a rebate program paid by drug manufacturers to level out higher prices paid by consumers who do not have prescription coverage. Hottinger said that the buying power of prescription plans and the government allows them to negotiate low prices for medications. He said that, although that is good for people covered by the plans, the result is that manufacturers cover their costs by charging higher prices to people without coverage.

The rebate for medication established by the bill is required to equal the rebate given through the existing Medical Assistance program. The bill specifies that manufacturers must pay rebate amounts to the state within 30 days and that the state must reimburse pharmacies biweekly. The commissioner of human services is authorized, under the bill, to administer the various aspects of the program and a dedicated fund is created to collect and disburse the rebates.

S.F. 526, authored by Sen. Dick Day (R-Owatonna), makes all Medicare recipients eligible for a discounted price, established by the bill as a price not more than the Medical Assistance reimbursement rate. Under his bill, pharmacies are not reimbursed for the discounts.

Representatives of the pharmaceutical industry objected in particular to the Hottinger bill, saying the program decreases access, make generics less viable, and discourages medical advances. Randy Morris representing the Pharmaceutical Researchers and Manufacturers Association said the bill might be unconstitutional on grounds of interstate commerce. He said a similar Maine law is being challenged in court. Hottinger said the issues highlighted in a ruling on the Maine law are not included in the bill.

Opponents from the wider business community repeated the industry concerns and added that the bill only hides costs or shifts costs in a way that is detrimental to the economy. Geoff Bartsch of the Minnesota Business Partnership said the bill increases plan costs for companies and might cause coverage to be decreased or discontinued. Hottinger said the current system hides the cost of drugs from everyone and shifts costs to those who are least able to pay.

Representatives of pharmacies expressed some opposition to the bills. They said, as did almost all opponents, that the solution lies in providing more prescription drug coverage. They added that the Day bill is bad particularly for smaller, independent pharmacies. Some pharmacists supported the concept of the Hottinger bill, but were concerned that it creates an administrative and fiscal burden for pharmacies. Others said the bill doesn't unduly increase work for pharmacies and reasonably addresses the serious need to contain prescription costs for some consumers. Day said pharmacies in California supported that state's version of his bill, but Gary Boehler of the Pharmacy Association said federal reimbursement rates are more favorable in California.

Seniors, union retirees, and consumers were represented with testimony in favor of the Hottinger bill. Kate Stahl from the Senior Federation said the drug companies can afford the rebates, adding that the bill gives Legislators the chance to "choose between serving the needs of the people or of the pharmaceutical industry." Representatives of family physicians and nurses also testified in favor of the bill, saying it is what their uncovered patients need.

Cody Wiberg of the Department of Human Services presented testimony on the costs to implement the Hottinger bill. He said the department estimates that \$700,000 will cover the majority of the department's expenses. He said the administrative fee authorized by the bill is estimated to be approximately \$1 per prescription.

In summarizing the two proposals, Sen. Sheila Kiscaden (R-Rochester) said she is very frustrated by the complexity of the problem and the inadequacy of the proposed solutions. She said the programs offered do not take on the drug companies, do not benefit all Minnesotans, and do not adequately address high prices. "I have a lot of empathy, but we don't have a solution that will work," she said.

The committee defeated the Day bill by a vote of 6 to 1. The Hottinger bill was approved by a 6 to 3 count and re-referred to the Finance Committee.

## Child support bill revisited

Members of the Health and Family Security Committee met Weds., Mar. 21, to discuss several bills, including S.F. 1364, the controversial measure to implement a new shared responsibility child support model.

Sen. Linda Berglin (DFL-Mpls.) carried the Dept. of Human Services (DHS) bill that proposes new guidelines for determining the amount of medical and child support that each parent is responsible for. Under the bill, a formula calculates the parents' combined gross incomes and bases responsibility on a newly calculated cost of raising a child. The guidelines were created to address several factors related to changing lifestyles. According to the DHS report, most obligees work outside the home and often make higher salaries than obligors, many parents have other children living with them, in addition to the children for whom they are paying or receiving support, and many obligors spend money on their children in addition to the child support they pay, such as travel, entertainment and housing expenses. According to Berglin, the new formula seeks to provide a more equitable means of supporting children of multiple families. The guidelines also make adjustments so that parents with higher incomes pay support amounts proportionate to the percentage of income paid for child support by lower income parents.

Bob Carrillo, who was a member of the task force created to study the shared responsibility model, said that he concluded that the model is too complicated, unfair and represents a regression in child support policy. He said the costs shared system is not based on the real costs of raising children in both homes, relative to calculating on a before-tax basis, and that it has "too many moving parts." He said that the non-custodial parents' obligation actually rises as a share of after-tax income. Carrillo said the guidelines are based on inconsistent data, and that he hoped the Legislature would sponsor hearings to involve the public before passing the bill.

Sen. Sheila Kiscaden (R-Rochester) said she had many questions and concerns about the bill. She said she also hoped the public could be involved before making a decision that would affect so many families. Members approved the bill and re-referred it to the Judiciary Committee.

Berglin also authored S.F. 1077, a measure to provide long-term care employees with a health insurance assistance program. A provision requires health maintenance organizations (HMOs) to participate in the program as a condition of receiving and retaining certification of authority. Under the bill, the

commissioner of human services is required to establish and administer the program and to solicit bids from HMOs to provide health coverage for dependents of eligible employees. In addition, the commissioner must arrange to pay the premiums for the dependents of eligible employees directly to the HMO, unless the dependents are eligible for coverage under MinnesotaCare. According to the bill, any remaining premiums must be collected by the employer and paid directly to the HMO.

Several witnesses testified in favor of the bill because of the serious need for better wages and benefits in long term care employment. The bill was laid over for further consideration.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 1245, a guardianship reform bill that amends the Mental Retardation Protection Act. Under the bill, guardianship duties are separated into two entities, that of case manager and guardian, in order to avoid conflict if one person is acting as both. A provision establishes certified "guardianship service providers" to meet ethical conduct and best practices standards.

Higgins said that there are currently about 3,800 people who are wards of the state. Currently, the commissioner of human services delegates guardianship authority to counties, who, in turn, assign case managers to perform public guardianship duties, such as establishing a home for the person, ensuring that the ward has food, clothing, health care, education and other needs met. The bill allows the commissioner to contract with private guardianship service providers to perform those functions. The measure also provides funding for a discharge process to encourage counties to reduce the number of public wards by contacting family members or others who may be willing to become guardians. The bill was approved and re-referred to the Finance Committee.

A second bill, S.F. 1345, was carried by Higgins. The measure modifies the Vital Statistics Act and clarifies language to adapt to the new electronic birth and death records system. A provision requires that an infant death diagnosed as sudden infant death syndrome be reported to the state registrar within five days. Other provisions relate to timely recording of events and data sharing. Members approved the bill and re-referred it to the Judiciary Committee.

Sen. Becky Lourey (DFL-Kerrick) authored S.F. 691, a bill that transfers the state-mandated responsibility for day training and habilitation costs to the state from counties. The measure also makes all day training services eligible for Medical Assistance (MA) reimbursement and requires DHS to seek a federal day services waiver. Day training and habilitation aims to keep individuals with developmental disabilities in the community by providing training and support services. DHS spokesperson Alex Bartolic said that 75 percent of service costs are paid through MA or through waivers. Members recommended that the bill be passed and re-referred to the Finance Committee.

Sen. Dallas Sams (DFL-Staples), who chairs the committee, carried S.F. 1415. The measure changes the public accountability plan that must be filed by health maintenance organizations. The bill also makes various technical changes and expands the definition of "rural hospital" related to hospital grant programs and the critical access program. Additionally, the measure repeals the regulation of professional boxing in Minnesota. According to federal law, a boxing match may not be held in states without boxing commissions unless the match is supervised by a boxing commission from another state. Members approved the bill and referred it to the floor.

Sen. Dan Stevens (R-Mora) authored S.F. 1421, a bill that allows nursing homes to share an administrator. The measure allows facilities that currently have a director of nursing serving as an administrator to continue that practice. Stevens said the bill allows for greater flexibility by sanctioning an option for sharing administrative duties. The bill was approved and referred to the floor.

Sen. Twyla Ring (DFL-North Branch) presented S.F. 1407. Ring said the measure is a DHS proposal that makes technical modifications to the health care access programs. The bill was approved and referred to the floor.

### **Long-term care bill advanced**

Members of the Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Weds., Mar. 21, to continue a discussion of S.F. 1070, the comprehensive long-term health care bill recommended by the Dept. of Human Services (DHS) and the Long-Term Care Task Force.

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Sen. Linda Berglin (DFL-Mpls.) carried the measure and provided an overview of its contents. The bill includes five articles related to long term care reform. Under the bill, the Minnesota Board on Aging is required to establish a toll-free phone line and an Internet site to provide information about long-term care options for older adults, caregivers and providers. Other programs related to consulting and screening persons with long-term and chronic-care needs are specified and changes in alternative care funding are detailed. The standard for determining whether or not an alternative care client must pay a premium is changed to require that recipients whose available income exceeds maintenance costs must pay a premium.

Other payments for adult foster care, assisted living and residential care services are modified under the bill and a statewide cap is established on alternative care program rates. One article includes a provision to authorize grants to public and nonprofit agencies to strengthen the system of home and community-based services for elderly persons and gives priority to communities with a planned nursing home closure.

Another article addresses bed closures in nursing homes by requiring that facilities notify government agencies to develop closure or modification plans. A provision requires that facilities must assist residents in finding a suitable placement, complete an inventory of the resident's personal possessions and assist them in transferring belongings to relocations within a 50 mile radius. The measure also requires the facility to arrange for the safe transfer of residents to the new placement, and provides for other specifications aimed at easing the transition phase. The commissioner of human services is required to negotiate payments to counties for their costs related to the relocation process.

Cost of living adjustments (COLAs) for employees of nursing facilities, intermediate care facilities and community-care providers are established at 3.5 percent annually, with specified distributions.

Subsequent articles create programs to remedy the health care workforce recruitment and retention situation, regulate supplemental nursing services agencies and establish consumer protection related to long-term care insurance.

Berglin offered several amendments, which were adopted to fine-tune various aspects of the bill. Members discussed an amendment addressing insurance premiums for long-term care employees. According to reports, employees in this group are considered high-risk by insurance providers due to the nature of their work, making premiums cost-prohibitive. Berglin said the children of the employees are left uncovered or under-covered as a result of the parent's low wage and unaffordable-insurance status. The amendment requires that the commissioner solicit bids from health maintenance organizations to provide coverage to the dependents of eligible employees and to establish health insurance assistance programming to provide the advantages of pooling for the purchase of health coverage for long-term care employers.

Sen. Sheila Kiscaden (R-Rochester) said she opposed the amendment because it creates a burden for employers who are already struggling. She said the situation required more careful study before implementation. Members voted to adopt the amendment. The bill was approved and advanced to the Commerce Committee.

## Health, Human Services and Corrections Budget Division

### Public testimony heard

The Thurs., Mar. 15, meeting of the Health, Human Services and Corrections Budget Division was taken up with public testimony concerning items in the Dept. of Human Services budget. Committee Chair Linda Berglin (DFL-Mpls.) invited Joel Ulland, National Multiple Sclerosis Society, to testify in regard to proposed changes in the basic health care grants program affecting Medical Assistance for employed persons with disabilities (MA-EPD). Ulland said he objected to the proposed revisions in the Medical Assistance (MA) premium formula and the proposed \$1.254 million decrease in funding for FY 2003. A major problem for people with disabilities is that once they return to work they earn more than the income standard allows and they often lose their Medical Assistance coverage. Currently, the MA income standard is \$482 per month for a family of one and \$602 per month for a family of two. Employer insurance or Medicare do not

cover the long term services needed by persons with disabilities, according to Ulland.

John Everett, executive director of community involvement programs also objected to elements of the basic health care grants proposals. He said that federal government compliance rules required for MA and Minnesota Family Investment Program (MFIP) enrollees. Under the proposal, Minnesota would implement the lowest standard, which is approximately 70 percent of poverty level. According to Everett, families are already struggling to pay medical premiums and the new requirements eliminates many from health care coverage. He said the proposal represents a "significant rollback to welfare reform."

Members heard testimony from individual witnesses and representatives from public and private agencies, covering a wide range of program/budget topics including children in out of home placements, vulnerable adults protection services, the social services information system and adoption assistance programming.

### Project Reconnect discussed

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Mar. 20, to consider four bills and to hear an overview by the Dept. of Human Services (DHS).

Sen. Satveer Chaudhary (DFL-Fridley) presented S.F. 893, a measure to appropriate money for Project Reconnect, a collaborative program aimed at helping women offenders and their children. Chaudhary said the program supports eligible women who have chemical health issues or who have been convicted of a drug offense in Ramsey County. To qualify for the program, participation must have been ordered by the court and participants must have at least one child under age 12.

Ramsey County Project Coordinator Sally Ruvelson said the programming includes individual and group therapy, chemical abuse assessment and treatment facilitation, weekly children's support groups, monitoring of child protection and assisting with access to community resources. She said that the program has helped to reduce out of home placements and maltreatment determinations.

Ruvelson said that 97 percent of the clients have prior convictions, including a high rate of felony convictions. According to Ruvelson, \$621,000 is needed to double the size of the program, from 100 clients to 200. Last year, she said, \$228,000 was provided by the county. The bill was laid over for further consideration.

Sen. Don Samuelson (DFL-Brainerd) carried S.F. 1406. The measure appropriates \$450,000 from the general fund for a grant to the Center for Victims of Torture. Executive Director Douglas Johnson said the center was founded in 1985 to provide rehabilitation services to victims of torture by foreign governments. He said there are 25 associated treatment facilities in the U.S., in addition to many international sites. Currently, there are 225 clients being served locally. Johnson said the center provides mental and physical health care services and social adjustment services to clients. The center also trains human service providers in meeting the unique needs of torture victims. He said that volunteers working with victims tend to need frequent shift rotations and counseling because of exposure to the very disturbing nature of their client's histories. Clients pay no fee and don't need an appointment before arrival, he said. The bill was laid over.

Sen. Jane Ranum (DFL-Mpls.) presented S.F. 38, a bill that specifies the collection of identification data from offenders, requires suspense file reporting, expands the courts access to conditional release data and appropriates money to continue improvements to the criminal justice information system (CrimNet). Members focused on the Dept. of Corrections (DOC) appropriations portion of the bill. Ranum said there were four items to consider. Of the \$1.5 million DOC appropriation, \$500,000 is appropriated for grants to the statewide supervision system; \$300,000 for out-of-home placement system development; \$300,000 for electronic probation file transfers between counties; and \$400,000 for maintaining and conforming the department's systems to the CrimNet standards and backbone system. The bill was approved and referred to the full Finance Committee.

Sen. Becky Lourey (DFL-Kerrick) carried S.F. 740. The measure appropriates \$500,000 for the biennium to fund education and awareness activities in Greater Minnesota to prevent the spread of

human immunodeficiency virus. Lutheran Social Services spokesperson Rosemary Thomas said the Minnesota AIDS Project is currently base funded by the state and the U.S. Center for Disease Control for \$4.5 million. Of that, \$1.7 million goes to community-based grants. Continued funding is needed, she said, to target education efforts in Greater Minnesota. The bill was laid over for further consideration.

## Jobs, Housing and Community Development

### Investment bills okayed

The Jobs, Housing and Community Development Committee met Fri., Mar. 16 to consider two economic development bills. Sen. Ellen Anderson (DFL-St. Paul) presided.

Sen. Richard Cohen (DFL-St. Paul) authored S.F. 501, which includes several provisions to increase high technology business in Minnesota. The bill requires the State Board of Investment to invest in Minnesota-based start-up businesses. The bill appropriates \$25 million for investments in private venture capital funds that give seed money to Minnesota start-up businesses in growing high technology industries. S.F. 501 also authorizes investments the Minnesota Investment Network Corporation for seed capital purchases and requires the commissioner of trade and economic development to make grants to rural communities to encourage business clusters. The bill also includes tax incentives for high technology business as well as funds for higher education initiatives.

Sen. Steve Kelley (DFL-Hopkins), co-author of S.F. 501, said, "The bill is about liberating and supporting the energy of people who want to grow and start business in Minnesota." He said the appropriation to the State Board of Investments is to be given to fund managers who will invest it alongside private money. The fund managers, he said, have a business interest in making smart investments.

Sen. Roger Moe (DFL-Erskine) asked whether the state's involvement compromises the fund managers' fiduciary responsibility. Kelley said diversifying portfolios by incorporating local start-up businesses is a positive investment that most managers would like to make but they are unable due to limited resources. He said the bill provides funding for the exploration of

Minnesota venture capital, but mandates no investments.

Cohen said that the bill includes no specific qualifications but does exclude a long list of areas that are not considered high technology. "The vague language," he said, "allows for the exploration of research initiatives." Kelley said, "We wanted to be as open to new ideas as possible."

Sen. Michele Bachmann (R-Stillwater) expressed concerns that the government might try to dictate which industries would be high growth. Kelley said, "The state would have ownership and interest in the success of funds, and you can't totally eliminate politics of the department choosing the fund. But you can talk about qualifications." He said the state would try to leverage the market, not replace it. He also said that because the state could only apply a limited amount of the funds needed by start-up companies, it would have to work with businesses.

Anderson said, "We are looking at huge amounts of money spent in areas usually controlled by the private sector." Cohen replied, "The bill is an extension of a long tradition of a governmental role in developing research, in the University and in transferring knowledge." He pointed to the success of the Internet as evidence that publically funded high technology initiatives work.

The committee recommended that S.F. 501 pass and re-referred the measure to the Education Committee.

The committee re-referred S.F. 1741, authored by Sen. Linda Higgins (DFL-Mpls.), to the Finance Committee with a recommendation to pass. The legislation appropriates \$145,000 each year of the biennium to the commissioner of trade and economic development to be given to the Metropolitan Economic Development Association. Higgins offered an amendment, which was adopted, that requires all of the money be used for minority business development outside the seven-county Metropolitan Area.

Bruce Corrie, chair of the Governor's Working Group on Minority Business Development, said the state needs to change its perceptions of the minority workforce and view the growing community as a stable workforce and a source of dynamic entrepreneurial capital. He also said the state needs to bridge the gap between the needs of minority entrepreneurs and programs available to them by

# Committee update

creating a database of financial and technical information and assistance for minority business owners.

The committee also heard a report from the University of Minnesota Economic Summit Task Force, which consisted of a wide range of public, private, academic and non-profit leaders who met in September 2000 to discuss the future of the state's economy. Charles Muscoplat, University dean, said Minnesota has one of the most diversified economies in the nation, but is challenged by a workforce shortage. "No matter how good we are," he said, "there aren't enough of us."

## Rental bills heard

The Jobs, Housing and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Mon., Mar. 19, and heard five bills concerning landlord and tenant issues.

Sen. Linda Berglin (DFL-Mpls) presented a bill, S.F. 550, that creates a pilot program to encourage property managers to rent to high risk tenants. Berglin offered an amendment, which was adopted, that adds Clay County to the list of eight other counties where the program is established. Under the program, local housing agencies provide payment bonds that may be used to reimburse landlords for losses caused by accepting high risk renters.

Berglin said that, due to a housing shortage, people with poor credit histories or unlawful detainers (UD) on their records have difficulty finding housing. The program, she said, alleviates the risks of providing housing for individuals with less-than-perfect records by allowing local agencies to co-sign rental agreements and take the responsibility for losses sustained by the renters. The bill requires the Housing Finance Agency to assemble an advisory committee made up of tenant advocates, housing providers and others, to select the persons who will benefit from the program.

Sen. Martha Robertson (R-Minnetonka) asked how "high-risk" is defined and whether the income of a program applicant should be considered. Sen. Roger Moe (DFL-Erskine) asked if people are classified as high-risk because they had done damage to rental property in the past. An amendment was adopted that defined the risk of a renter as his or her ability to pay rent when due.

Deon Collins, a potential program beneficiary, said she had been issued an

unlawful detainer after asking her landlord to write a receipt for the rent that the property manager said was due. She said she had been issued a second unlawful detainer, because her children were making too much noise in the apartment above the landlord. She said, because of her poor rental history, she has been homeless for three years.

The committee approved S.F. 550 and referred it to the floor.

Berglin also offered S.F. 218, which increases from 90 days to a year the length of time within which a landlord has the burden of proving that a tenancy was not terminated as a retaliatory eviction. Moe offered an amendment that, as a compromise between the current 90 day limit and the proposed 12 month limit, makes the length of time 180 days. The amendment was adopted.

Jack Horner from the Minnesota Multi-Housing Association said the legislation makes it more difficult for landlords to evict tenants, raises the cost of bad tenants and increases the risk of accepting tenants with poor rental histories. "The bill will make it difficult for landlords to take a chance on high-risk tenants," he said.

"The bill isn't about being able to live in an apartment without paying rent," Berglin said. "The bill is about making it possible for a person living in egregious conditions to make a complaint without being afraid of retaliation."

The committee referred S.F. 218 to the floor.

The committee heard two bills that deal with fees charged by landlords to check the backgrounds of prospective renters. Sen. Julie Sabo (DFL-Mpls) authored S.F. 882 and Berglin sponsored S.F. 920. Both bills were amended to prohibit landlords from collecting screening fees unless they provide an apartment to an applicant.

S.F. 882 also prohibits landlords from charging screening fees if an applicant has had a residential tenant screening report done in the past 45 days.

Sabo said that rental screening fees can cost up to \$90. Ron Elwood from the Legal Services Advocacy Project, said because renters often have to pay for screening fees for every apartment to which they apply, an apartment search can cost over \$300. Allowing prospective tenants to have their own background checks done and use a single check for

several apartment application minimizes the cost, he said. He also said under current law there is no incentive for landlords to pre-screen applicants by interviewing them or having them fill out a form to determine whether they are eligible before they pay for the screening fee. He also said there is no limit on the amount of money landlords can accept from application fees.

Paul Scheurer, a Minneapolis landlord, said he recently received more than 100 applicants for a duplex. He said had he been charging \$35 for an application fee, he could have made \$3500. Instead, he said, he screened applicants himself. "Prohibiting screening fees is a small price to pay for fairness," he said.

Kirby Becik, a Coon Rapids police officer who patrols rental property, said screening is necessary. He said that a few years ago a rental property that was prohibited from doing criminal background checks because it received federal funding had the highest crime rates in the city. He also said more should be done to encourage property managers to fairly and comprehensively screen applicants themselves before they accept a screening fee.

"Screening is the key to housing," said Bill Cullen, a Minnetonka landlord. He said that professional screening services eliminate the need to make arbitrary decisions and reduce the risk of discriminatory practices.

Sabo said, "The bill does not eliminate background checks. It's about getting a grip on the excessive nature of the fees."

S.F. 882 was recommended to pass and referred to the floor. No action was taken on S.F. 920.

Higgins authored legislation that repeals the right of landlords to apportion utility bills when a rental building has a single meter.

Tom White, a lawyer who deals with landlord issues, said that in 1999 the Legislature gave landlords the right to apportion utility bills believing that if renters paid for utilities separately, they would conserve more energy. "That is where the Legislature went wrong," he said. The 1999 measure created unfairness because there was no truly accurate way to divide the bills, he said.

The committee approved S.F. 1092 and re-referred the bill to the Telecommunications, Energy and Utilities Committee.

The committee heard a second bill concerning utility bills. S.F. 1246,

authored by Sen. Satveer Chaudry (DFL-Fridley), limits the amount of money the owner of a manufactured home park may collect for utility service provided to residents to the actual amount billed by the utility. James Paist, representing All Parks Alliance for Change, said the bill is a response to a mobile home owner who charged 90 residents \$7.50 for utility service, although the utility company only charged the owner \$50 for service to the park. S.F. 1246 was recommended to pass and referred to the floor.

## Judiciary

### Civil commitment bill approved

The Judiciary Committee met Thurs., Mar. 15, to continue discussions of bills laid over at previous meetings and to consider aspects of an omnibus mental health bill. Sen. John Marty (DFL-Roseville), chair of the committee, presided.

A bill originally discussed Mar. 8 addresses requirements for civil commit-

ment of persons with mental illness. The bill, S.F. 179, is authored by Sen. Don Betzold (DFL-Fridley). Provisions in the bill add to the definition of mental illness and modify the standard for determining if a mentally ill person needs to be detained or committed for treatment. The aspect of the bill that drew the most attention is a provision specifying that the danger posed by the mentally ill person need not be “imminent” in order for authorities to hold the person for 72 hours. An author’s amendment was approved that makes the new standard apply at the person’s preliminary hearing as well.

Several people testified in opposition to the bill, saying that the law’s current “imminent danger” language is necessary to set a high standard for holding people against their will. Representatives of the Citizens’ Commission on Human Rights said the bill erodes important protections for the rights of patients with mental illness and opens the door for mis-diagnosis and wrongful commitment. Sen. Thomas Neuville (R-Northfield) said the decision for the 72-hour hold is particularly

problematic because it takes place outside of the courts and lacks standards of due process. Neuville offered an amendment to leave the word “imminent” in the law.

Sen. Sheila Kiscaden (R-Rochester) spoke against the Neuville amendment, saying the bill’s standard remains strong enough to protect patients but still helps others to act in a patient’s best interest. She said that it is often clear to friends or family members that a person’s illness is decompensating but that the “imminent danger” standard is too strict to allow the person to be detained for evaluation and stabilization. Sen. Jane Ranum (DFL-Mpls.) said that the current law is clearly not working and added that it is time to at least try the softened standard. Ranum also pointed to a list of endorsers of the bill, including the Minnesota Medical Association, the Minnesota Psychiatric Society, and the National Alliance for the Mentally Ill. The Neuville amendment was defeated. The bill was approved by the committee and sent to the floor.

Sen. Cal Larson (R-Fergus Falls) came before the committee again with S.F. 673.



Senators Roger D. Moe (DFL-Erskine), center, and Dean Johnson (DFL-Willmar), right, brief members of the press on proposed legislation to finance a new baseball stadium for the Minnesota Twins during a press conference on Mon., Mar. 19. Rep. Harry Mares (R-White Bear Lake), chief House author, left, and other legislators were also in attendance. Photo by David J. Oakes

# Committee update

The bill, a “good Samaritan” proposal to limit liability for people who help a mentally ill person take prescriptions, was debated at the Feb. 22 and Mar. 1 meetings of the committee. Neuville offered an amendment he drafted with Larson to address concerns about when and to whom the immunity applied. The amendment, which the committee adopted, clarifies that a health care provider is not granted immunity in cases where the provider already has a professional care relationship with the patient. The bill was approved as amended and referred to the full Senate.

A bill proposing a constitutional amendment for equal rights based on gender was sponsored by Sen. Richard Cohen (DFL-St. Paul). S.F. 317 places a constitutional amendment barring the state from abridging the rights of citizens on account of gender on the state’s 2002 ballot.

The committee heard testimony from a constitutional scholar, professor Mike Steenson from the William Mitchell College of Law. Steenson summarized arguments for and against the need for the amendment and referred to cases in other states to highlight laws and funding issues that may be scrutinized as a result of such an amendment. He said a key test in weighing the applicability of new constitutional language on gender is whether an alleged disparity is justifiable based on a “real difference” between people of different genders. No action was taken.

The committee also examined aspects of S.F. 754, Sen. Linda Berglin’s (DFL-Mpls.) comprehensive mental health bill. One provision of the bill affects children in need of treatment for a disability, specifying that the court may order that the treatment be provided but may not transfer custody from parents based solely on their inability to provide the treatment.

The other provision of interest to the committee specifies that aggregate data on suicides not be included in the state’s crime statistics so as not to stigmatize mental illness. Sen. Warren Limmer (R-Maple Grove) said suicides that are committed in conjunction with other crimes should be included and Kiscaden successfully offered an amendment to satisfy Berglin’s and Limmer’s interests. Her amendment makes a distinction for any suicide that is directly related to another crime. The bill was approved as amended and re-referred to the Commerce Committee.

## Domestic violence bill advances

A bill for the expungement of eviction actions and another changing domestic violence law generated considerable debate at a Tues., Mar. 20, meeting of the Judiciary Committee. Both bills were eventually approved by the committee.

The eviction bill, S.F. 959 carried by Sen. Linda Berglin (DFL-Mpls.), specifies ten different circumstances in which courts must expunge the record of an eviction action against a tenant. The circumstances listed include dismissal of the action, judgment for the tenant, and a finding that the action was filed as retaliation by the landlord. The list in the bill also calls for expungement in situations where a person named in the record was not responsible for the cause of the action, as with minors or victims of domestic abuse.

Berglin said that when a landlord brings an eviction action, it stays on a tenant’s record for seven years even if the court finds in favor of the tenant. She said a record of even one eviction action drastically increases the likelihood of a person becoming homeless. Sen. Don Betzold (DFL-Fridley) said the bill goes too far by sealing public information about eviction actions. He offered an amendment to remove the list of circumstances from the bill, substituting broader language for courts to use as a guideline for expungement. The amendment was defeated.

Representing the interests of landlords and property owners, Jack Horner from the Minnesota Multi Housing Association opposed the bill, saying it is an unconstitutional mandate on expungement. He said the narrowly defined expungement provision in current law is adequate, adding that too many bad tenants will be allowed to have clean records under the bill’s provisions. The committee approved the measure and referred the bill to the floor.

The domestic violence bill before the committee did receive a second vote. S.F. 619, authored by Sen. Jane Ranum (DFL-Mpls.), was reconsidered by the committee after a request by Sen. Sheila Kiscaden (R-Rochester). Kiscaden had been absent earlier in the meeting when the failed adoption of an amendment by Betzold had resulted in the bill being defeated on a 4-4 vote. Upon reconsideration, the Betzold amendment was adopted and the bill was approved.

The bill makes a number of changes to domestic violence law, most of which fall under the purview of the Crime Prevention Committee. Items under the jurisdiction of the Judiciary Committee included provisions on the admissibility of evidence, victim privacy, and standards for required counseling programs. Betzold’s amendment removed the section on evidence, which gives courts discretion to consider out-of-court-statements that have been recanted. He said the Legislature should not tell courts how to interpret rules of evidence. Sen. Thomas Neuville (R-Northfield) had added that the provisions might be unconstitutional. Ranum had said the bill’s language is consistent with other legislation on the rules of evidence and is necessary because of the sensitive nature of domestic violence proceedings.

The committee also approved another of Ranum’s bills, S.F. 1145. The bill adds new provisions to the Child Abuse Reporting Act, including language giving vulnerable minors the same protections granted by a law passed last session for vulnerable adults. Both of Ranum’s bills were re-referred to the Finance Committee.

S.F. 339, authored by Sen. Steve Murphy (DFL-Red Wing), was also approved by the committee. The measure codifies and consolidates existing laws and relative priorities regarding agricultural liens. Sen. Myron Orfield (DFL-Mpls.) received approval for S.F. 665, a uniform act pertaining to laws on arbitration. Both bills were referred to the floor. S.F. 1172, authored by Sen. Charles Wiger (DFL-North St. Paul), was approved and re-referred to the Committee on Rules and Administration. The bill proposes a constitutional amendment revising language throughout the State Constitution to make it gender neutral.

## Child support bills gain

A slate of bills on a variety of topics greeted members of the Judiciary Committee at an evening meeting held Weds., Mar. 21. Chair John Marty (DFL-Roseville) presided.

Two bills approved by the committee were re-referred to the Health and Family Security Committee. S.F. 1477, sponsored by Sen. Leo Foley (DFL-Coon Rapids), modifies provisions pertaining to the collection and enforcement of child support. Christa Anders from the Department of Human Services summarized the



provisions that fall under the purview of the committee. She said a number of the changes in the bill bring state law into compliance with federal law and update cost-of-living provisions. In addition, the bill makes optional, not required, the publication of names of delinquent obligors. Notification requirements are laid out in the bill for an obligor whose driver's license is to be suspended for lack of payment. The bill also contains provisions addressing obligees who can not be located and obligors who have been incarcerated or institutionalized.

The other health-related bill is S.F. 321, authored by Sen. Dave Kleis (R-St. Cloud). The measure came before the committee after having been heard, amended and recommended by the Subcommittee on Family Law. The bill requires background checks for professionals and family members who seek to serve as a conservator or guardian. Sen. Sheila Kiscaden (R-Rochester) offered an amendment to make the background check optional when involving family members. The amendment failed on a tie vote.

Another bill by Foley also gained approval from the committee. SF. 1212 requires courts to make a detailed finding when granting custody, access, or parenting time for a parent who has committed domestic abuse. The bill specifies that the findings must explain the decision's compatibility with the emotional and physical safety of the child and the other party. Kiscaden said she opposes the Legislature's dictating what courts do or do not include in findings and added that the bill's language goes beyond the intent of a task force that considered the issue. Sen. Thomas Neuville (R-Northfield) said that, under the bill, the domestic abuse does not even have to involve the child to trigger the requirement for the finding. He offered an amendment to narrow the scope to include only abuse perpetrated against a child. A representative of the Family Law Section of the Minnesota Bar said the bar's presumption is that physical violence between parents implies that a co-parenting agreement is not wise. The amendment was not adopted. The bill was approved and sent to the floor.

The committee once again took up S.F. 317, Sen. Richard Cohen's (DFL-St. Paul) bill proposing an equal rights amendment to the state constitution. Andrea Rowe of Minnesota Citizens

Concerned for Life said the language of such an amendment can be used to invalidate restrictions on government funding for abortions. She said the New Mexico Supreme Court compelled the state to fund abortions based on the state's equal rights amendment. Neuville presented written testimony from a constitutional scholar who says that, because interpretations can vary widely, the proposed amendment essentially grants the Minnesota Supreme Court the opportunity to legislate. He said that, since gender inequities have been dealt with effectively through law and other court action, the amendment is not needed. Cohen said the amendment protects legislative changes that have been made to promote equality. The bill was approved and sent to the Rules and Administration Committee.

Sen. Michelle Fischbach (R-Paynesville) presented S.F. 368, which extends liability from immunity for property owners who are adjacent to public recreational lands. She said that railroad easements converted to public trails are the principle cause for the need of the bill. On behalf of the Rural Preservation Corporation, Fritz Knaak said that property owners involved, many of whom are farmers, do not have any choice about being next to the trails. He said it is unfair and financially burdensome to impose liability on them, especially when the local government approving the trail is free from liability. Kiscaden said the bill is not balanced enough to account for the responsibility of property owners not to create hazards for users of the trail. Terry Wade, a trial lawyer, as well as a user and neighbor of a trail, spoke in opposition to the bill. He gave an example of a property owner who erected a barrier that could actually be dangerous to people. Knaak said willful acts by property owners can be considered by courts to lessen immunity in specific cases. The bill was approved and sent to the floor. However, Kiscaden said she and Fischbach would try to craft an amendment to address potentially harmful actions by property owners.

Neuville presented S.F. 936, which modifies a statute regarding expert witness affidavits in malpractice cases. Neuville said the bill prevents meritorious cases from being dismissed without an opportunity to address an alleged deficiency in an affidavit. The bill was approved and sent to the floor.

Sen. Linda Scheid (DFL-Brooklyn Park), presented two bills. S.F. 1108 requires any entity with an Internet business presence in the state to identify at the website the legal owner of the entity's domain names, the address of its offices, and an appointed agent for the service of process in Minnesota. Scheid said consumers find it difficult or impossible sometimes to know where a company is located or where to direct complaints or actions. Representatives of several organizations, including the Office of the Secretary of State, opposed the bill on myriad grounds, including the federal government's unique power to regulate the Internet. Bert Black of the Secretary of State's Office said the information required in the bill is already provided online by Network Solutions. The bill was laid over.

S.F. 1419, also under Scheid's authorship, clarifies that a contractor providing a payment bond must provide, within the bond document, addresses of both the contractor and the surety, or addresses of an agent authorized to receive notice of a claim. Scheid said the bill is a recommendation by the Construction Law Section of the Minnesota Bar. The bill was approved and placed on the Consent Calendar.

Another bill approved for the Consent Calendar is S.F. 1502, authored by Sen. Don Betzold (DFL-Fridley). The bill allows applicants for name changes to forgo a hearing and submit affidavits instead.

## Rules and Administration

### Campaign testimony continued

The Subcommittee on Elections of the Rules and Administration Committee heard testimony on campaign finance reform from a number of citizens and former candidates for public office Fri., Mar. 16. The testimony related to three bills before the committee: S.F. 388, the Fair and Clean Elections Act, authored by Committee Chair John Hottinger (DFL-Mankato); S.F. 90, authored by Sen. John Marty (DFL-Roseville), which increases reliance on public subsidies for elections; and S.F. 1579, the governor's "Open and Accountable Campaigns Bill."

Sunday Alabi spoke for the ACORN organization, which represents low and moderate income individuals. He said big developers seem to get whatever they ask

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for from the Legislature, but people in his neighborhood have trouble securing a few thousand dollars for a project. "What is a perception here is a reality in my neighborhood," Alabi said.

Ken Pentel, representing the Green Party, advocated giving individuals a stronger voice in government. He said large corporations are able to set the legislative agenda through media influence and presence at the Capitol, marginalizing issues such as the environment, health care and racial issues. "The citizens I meet in the field are not the citizens I meet here who can afford to be at the Capitol and set the agenda," he said. Sen. Mark Ourada (R-Buffalo) asked how the bills under consideration remedy the problem, since they don't address lobbying during session. Pentel said that, in general, people don't want candidates chasing money.

Bill Helgesen, an Independence Party House candidate in the 2000 election, spoke in favor of the governor's bill. He said it gives candidates a public subsidy before the election, increases contribution disclosure requirements and increases the maximum for the political contribution refund, which refunds political contributions made by individuals.

Lynne Osterman, a Republican House candidate in the 2000 election, called for more integrity among candidates and caucuses. She said experiences during her campaign showed her that the party often doesn't respect its own candidate when it produces negative or manipulative campaign materials. Hottinger replied, "I don't think many of us have been untouched by what we would consider negative mailings," but added that the problem is finding a way to limit negative activities from independent groups without compromising constitutional values.

St. Paul resident Marcia Erickson spoke strongly in support of general campaign finance reform. She said the involvement of money means the current system is no longer a democracy. "The more I'm involved in this process the less I want to give a dime to a campaign," she said.

Lev Price of Education Minnesota commented on S.F. 388. He said he supports public financing, since it gives candidates more time to spend with constituents and improves public perception of the integrity of politicians. He also

said he commends provisions in the bill that give a candidate free time on public radio and television and provide a free voter guide to citizens.

However, Price said, he opposes provision in the bill that gives candidates money to respond to independent expenditures made against them. "You're saying that a candidate's free speech is more valuable than an average citizen's or association's speech," he said. Price pointed out that political caucuses contribute much more money to campaigns than outside groups.

## Redistricting principles okayed

The Rules and Administration Subcommittee on Redistricting came together Mon., Mar. 19, and worked on the principles for redistricting. The guidelines are established in both a bill, S.F. 1013, and a joint resolution, S.F. 1326, both authored by Sen. Lawrence Pogemiller (DFL-Mpls). The subcommittee has been considering the two nearly identical measures concurrently so that the full committee may decide whether to recommend a resolution or a bill.

Before voting on the principles, the committee discussed minority concentrations as well as district numbering.

Sen. David Knutson (R-Burnsville) offered an amendment to the minority representation sections of the measures. The bill and the resolution state that districts cannot be created in way that dilutes the voting strength of racial or language minorities and, where a concentration of racial or language minority populations makes it possible, districts must increase the probability of members of the minority being elected. The amendment carried by Knutson establishes that redistricting must not have the intent or effect of dispersing or concentrating minority populations in any way that prevents minority communities from electing their candidates of choice. The amendment also prohibits any part of the principles from being construed to supersede any provision of the Voting Rights Act of 1965.

Knutson said the amendment more accurately reflects the Voting Rights Amendment and the 1993 Shaw v. Reno Supreme Court decision. "You have to take districts and pack them to ensure the probability of electing minorities and that runs afoul of the Shaw case," he said. The minority concentration amendments

offered by Knutson to the bill and resolution were defeated. Pogemiller said, "Race conscious redistricting is not always unconstitutional. It is only when you make all other principles subordinate to it." Counsel explained that there are two Shaw decisions, the second establishes that minority concentrations are permitted in redistricting so long as the districts remain geographically compact. Pogemiller offered an amendment to ensure that districts increase the probability of minorities being elected when it can be done in compliance with the other districting principles. The amendment was adopted.

Sen. Dave Kleis (R-St. Cloud) brought forth an amendment that changes the numbering principles, which dictate how districts are numbered, but does not affect how the district boundaries are drawn. The amendment requires the district that contains the Capitol to be the first district. "It makes sense to start numbering where we are starting the redistricting process," said Kleis. "To me it just makes sense to start at the capital city."

According to current practice and the districting principles, districts are numbered beginning with the Northeast corner of the state and proceeding across the state west to east and north to south, skipping over the Metro Area, which is numbered afterwards. Sen. Ann Rest (DFL-New Hope) said, "The amendment is not particularly regular. It's playing hopscotch with the rest of the congressional numbers."

The committee defeated the numbering amendments to the bill and the resolution with 3-6 votes.

Sen. William Belanger (R-Bloomington) offered an amendment that requires the House and Senate committees dealing with redistricting to hold at least one public hearing in each current congressional district to hear public testimony on redistricting plans. Sen. Richard Cohen (DFL-St. Paul) said the principles had been on the agenda for two weeks, and people were given opportunities to testify. Pogemiller said much discussion had been had on the principles including meetings over the summer. The amendment to the bill was defeated on a 3-6 vote, and the amendment to the resolution was defeated on a 3-6 vote.

Belanger also expressed concerns about the need to make the voting records on the bill and the resolution identical,

because the committee had not voted on parallel amendments to both Senate Files. Knutson and Belanger offered amendments to S.F. 1013 which were identical to amendments that had been offered on S.F. 1326. Belanger sponsored four amendments to S.F. 1326, which included provisions that decrease the percent by which districts can deviate from the ideal population from two to one-half of a percent; decrease the deviation for all districts combined from two to one percent; adjust the ideal population of a district to the area's growth rate; and include political subdivisions in the definition of communities of interest. Knutson also offered an amendment that changes the acceptable deviation from the ideal population of a district from two percent to one percent. Each of the amendments offered by Belanger and Knutson was defeated, 3-6.

After the voting records had been made identical, Pogemiller moved that the bill and the resolution be recommended to pass. The motion was adopted and both measures were referred to the Rules and Administration Committee.

### Absentee bill gains

A bill designed to make it easier to vote by absentee ballot was approved at the Tues., Mar. 20, meeting of the Rules and Administration Subcommittee on Elections. The bill, S.F. 95, authored by Sen. John Marty (DFL-Roseville), provides that any eligible voter may vote by absentee ballot, if the voter has a reasonable expectation of not being able to go to the polling place on election day. Currently, Marty said, voters must not be able to go to the polling place because of illness, disability, religious discipline or observance, service as an election judge in another precinct or absence from the precinct. In addition, the bill eliminates the requirement that the absentee ballot be marked in the presence of a witness and authorizes voting by facsimile ballot by persons outside the country or who have become a patient in a health care facility in the seven days before an election.

The subcommittee, chaired by Sen. John Hottinger (DFL-Mankato), adopted an amendment specifying that a request for an absentee ballot may be a continuing request to furnish the person an absentee ballot for each election until further notice. Karl Knutsen, speaking on behalf of the Brotherhood of Maintenance of

Way Employees, said that workers in his union were often out of state during the month of November and, though the workers do get every third week-end off, applying for an absentee ballot is not necessarily their highest priority. He said that having the absentee ballot sent automatically could increase voter participation.

The bill was advanced to the full Rules and Administration Committee.

Members also approved a bill, H.F. 486, sponsored by Sen. Arlene Lesewski (R-Marshall), requiring the disclaimers on print political advertisements to be in at least 10 point type and legible. The bill was also advanced to the full committee.

A bill requiring the Legislature to adopt rules that establish a system of joint standing committees was also discussed. S.F. 369, authored by Sen. Jane Krentz (DFL-May Township), also requires the Legislature to adopt rules changing the procedures for establishing conference committees. Krentz said the bill is aimed at changing the culture of confrontation between the Senate and House. In addition, she said, the establishment of joint committees could lead to more efficient use of time, because the public and others would only be required to testify before one committee, rather than before committees in both the House and Senate.

Hottinger said that while the bill offered an intriguing idea, he was reticent to require a subsequent Legislature to adopt certain rules. The bill was referred to the Rules and Administration Subcommittee on Permanent and Joint Rules for further discussion.

The panel also began discussion of a bill modifying the election campaign finance reporting requirements. S.F. 91, also sponsored by Marty, makes a number of changes to campaign finance and public disclosure laws. The measure requires disclosure of economic interest of independent contractors and consultants, requires full disclosure of the total costs of lobbying and modifies the definition of "lobbyist" to include an employee of a public higher education system who spends more than 50 hours in any month lobbying. Marty said the bill increases openness and, thus, leads to a rebuilding of public confidence in elected officials. Hottinger said, "My concern is the magnitude of the disclosure provisions. At some point we cross the line and lend

credence to unjustified assumptions that something is wrong."

No action was taken on the measure in order to allow for further discussion.

## State and Local Government Operations

### Bookmaking bill defeated

The State and Local Government Operations Committee devoted a second full hearing to gambling bills on Thurs., Mar. 15. Bills were discussed pertaining to the card club at Canterbury, charitable gambling, and new authority for bookmaking on professional sports.

Sen. James Metzen (DFL-South St. Paul) carried the day's most contentious bill, S.F. 1590, which changes restrictions on the card club at Canterbury Race Track. The bill clarifies the use of "player pools" and specifies that the statutory limit of 50 tables does not apply to tables used for instruction, demonstration, or tournaments. The bill makes a distinction between single-wager games and multi-wager games and sets no limit on the maximum wager for single-wager games. For multi-wager games, the bill increases the maximum allowed for each wager from \$30 to \$60.

Sen. Don Betzold (DFL-Fridley) offered an amendment to reinstate the \$30 wagering limit and establish a limit of \$100 on single-wager games. Sen. Dan Stevens (R-Mora) said a \$300 limit is more realistic and still quite reasonable. He successfully offered an amendment to the Betzold amendment. The Betzold amendment was adopted with the \$300 single-wager limit.

Sen. Jim Vickerman (DFL-Tracy), chair of the committee, also proposed amendments to Metzen's bill. An amendment requiring an annual report on income by the card club was adopted. Vickerman also proposed an amendment levying sales tax on the card club and allocating the revenue to programs for gambling addiction. Metzen said the additional tax would be costly for the club. Sen. Lawrence Pogemiller (DFL-Mpls.) successfully offered an amendment to the Vickerman amendment specifying that funds for treatment be taken from existing tax revenues. With the change, the amendment was adopted. Vickerman also offered an amendment limiting the number and length of tournaments the

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card club may have. After some discussion, the amendment was adopted with limits of one tournament a year not lasting more than 14 days.

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

S.F. 986, an omnibus bill on lawful gambling, was presented to the committee by Vickerman. The bill makes numerous minor changes and clarifications to provisions governing lawful gambling. Two of the bill's more substantive changes increase the percentage of allowable expenses for bingo and raise the minimum level of proceeds that triggers a review or audit of a licensed organization. Sen. LeRoy Stumpf (DFL-Thief River Falls) spoke in favor of another provision modifying laws for noontime bingo, saying it helps organizations in his district compete with lawful gambling across the border in North Dakota. The bill was approved and referred to the full Senate.

Three other bills sponsored by Vickerman were also approved by the committee. S.F. 1130, cosponsored by a number of Senators under seven separate file numbers, reduces tax rates on charitable gambling. The bill lowers the tax rate on general lawful gambling from 8.5 to 7.5 percent, lowers the pull-tab and tipboard tax from 1.7 to 1.5 percent, and lowers all three brackets of the combined receipts tax. S.F. 1674 grants the Gambling Control Board the authority to use unmarked police cars. S.F. 987 lets organizations pay a one-year rate for premises permits bought in the second year of the organization's two-year license. Betzold presented S.F. 1008, a bill he authored that allows a licensed card club to detain persons who are suspected of cheating. The committee approved the bill and sent it to the floor.

Sen. David Tomassoni (DFL-Chisholm) authored two bills before the committee. S.F. 1214 changes a prohibition on the hiring of felons at a race track by only requiring the consideration of convictions within ten years of when a person applies for a job. Under the new language, an applicant is not barred from employment if the felony conviction was conditionally reduced by the court to less than a felony. Sen. Myron Orfield (DFL-Mpls.) offered an amendment removing the ten-year provision so that any prior felony judgment bars employment. The amendment was adopted. The bill also adjusts upward the amount of non-

steroidal anti-inflammatory medication ("horse aspirin") that may be present in a race horse. The bill was approved as amended and sent to the floor.

The other Tomassoni bill, S.F. 1354, provides for the legalization, regulation, and taxation of gambling on professional sports. The bill grants the state lottery director the authority to license bookmakers and creates a recreation fund for the fees and taxes collected. George Anderson from the state lottery said federal law prohibits gambling on professional sports but added that a state can challenge the law in court once the state has its own law in place to make sports bookmaking legal. He said the lottery has no position on the bill. Tomassoni said gambling on sports happens anyway and could be a great source of revenue for the state. Vickerman said sporting activity should be free from the influence of gambling. The bill was defeated.

## Fire retardant cigarettes debated

A bill proposing regulations to reduce the number of fires caused by cigarettes came before the State and Local Government Operations Committee Tues., Mar. 20. Sen. Jim Vickerman (DFL-Tracy), chair of the committee, presided as the bill and several others were discussed.

S.F. 98, the bill proposing the regulation of cigarettes to make them more fire-retardant, is authored by Sen. John Marty (DFL-Roseville). The bill directs the commissioner of public safety to establish the rules by July 31, 2003, to take effect six months after adoption. Marty said careless smoking is the leading cause of fire-related deaths in Minnesota, which number 15 a year on average. Cigarettes with improved retardant capacity, he said, have already been developed and tested by the Phillip Morris Companies. He also said that New York has already adopted a similar state law, which Minnesota could use as a model for designing and implementing rules. Marty's testimony was echoed by the State Fire Marshal, a representative of the Fire Chiefs Association, and a representative of the Department of Health.

Jim Goold testified in opposition to the bill on behalf of RJ Reynolds, Brown Williamson, and other tobacco companies. He said regulation of cigarettes are a federal matter, adding that different standards for different states are costly to comply with and contribute to smuggling.

He also said studies by the Consumer Product Safety Commission and the National Association of State Fire Marshals question the effectiveness and toxicity levels of fire-retardant cigarettes. He said much more time is needed for studies.

Marty said the bill will not result in cigarettes being manufactured specifically for states with rules, but instead will lead to national fire-retardant standards. He said a similar process followed Minnesota's enactment of standards for fire-retardant sleeping bags. Marty also said the tobacco companies have been stalling on the safety issue for 15 years. He objected to Goold's call for further study, saying that tobacco companies' sudden profession of concern about toxicity is proof enough that they lack sincerity in addressing the issue. He asked that the bill be laid over to allow for the gathering of more evidence.

Sen. John Hottinger (DFL-Mankato) presented two bills. S.F. 1441 creates an exemption to the ban on gifts to officeholders, allowing for promotional items of the sort given to attendees at a conference or convention. S.F. 954 grants nine more months for the adopting of rules by EdVest, a program created by the Legislature to allow people to set aside money for college education. Both bills were approved and were sent to the full Senate.

S.F. 1350, authored by Sen. Jane Krentz (DFL-May Township), is a comprehensive natural resources bill that, among other things, extends the life of certain advisory committees. Sen. Martha Robertson (R-Minnetonka) successfully offered an amendment changing the new ending dates to 2003 to be consistent with other advisory committee extensions. The committee approved the bill and re-referred it to the Committee on Crime Prevention.

Sen. Keith Langseth (DFL-Glyndon) presented S.F. 1572, a bill he authored concerning cities. The bill makes a certain zoning and planning law for cities consistent with existing county law. Provisions in the bill allow a property of "nonconforming use" to remain in place unless more than half of it is consumed by fire. The bill was approved and sent to the floor.

Also headed to the floor of the Senate is S.F. 1295, authored by Sen. Claire Robling (R-Prior Lake). The bill raises limits and includes child care facilities in a local government loan program sponsored

by the United States Department of Agriculture.

## State Government, Economic Development and the Judiciary Budget Division

### Budget hearings continue

Aspects of the judicial system comprised the agenda of the Thurs., Mar. 15, meeting of the State Government, Economic Development and the Judiciary Budget Division. The division heard the remainder of the District Courts' budget request and testimony regarding Legal Services and the Judicial Standards Board.

Having covered requests for increased judges, mandated costs, and salary increases at earlier meetings, the District Court's budget presentation concluded with discussion of effectiveness initiatives and the judicial branch transition to complete state funding.

District 1 Chief Judge Leslie Metzen presented two aspects of the effectiveness initiative. The first is increased staffing for various aspects of the courts. The request includes new administration positions for Districts 8 and 9, law clerks for Ramsey referees, and 10 screener/collector positions to be spread across Districts 5, 7, 8 and 9. Judge Metzen said the screener/collectors, who specialize in reimbursements and collecting unpaid fines and judgments, generate revenue in excess of the expense for the positions. The other effectiveness initiative is a request for the continuation of Community Courts in Hennepin and Ramsey Counties. District 4 Judge Richard Hopper said Community Courts have been an effective, timely and inexpensive way to decrease crimes that are otherwise a low priority, yet have a high impact on an area's livability.

State Court Administrator Sue Dosal discussed the judicial branch funding transformation and detailed funding needs related to the phased-in transfer of court funding from counties to states. The budget request includes one staff person each in accounting and human resources for each of the four districts that have come fully under state funding. She also said the budget accounts for a similar request when the remaining six districts are added in 2003. Dosal said that, even with the requested personnel, the court's staffing

levels are still lower than average state agencies or the private sector. She also said general fund money that used to go to counties to support courts will be reallocated to the court system directly.

Speaking for the Legal Services budget, Kent Gernander, president of the Minnesota Bar Association, said the state appropriation comprises less than 30 percent of the total expenditures for Legal Services. He said limited funding currently forces the program to turn away over 18,000 requests from the "most vulnerable and least powerful citizens of our state." The budget for the biennium, he said, includes a request for a \$2 million increase to address the shortfall. Several proponents of legal help for the poor gave testimony, including a former victim of domestic abuse who was served by the program.

Finally, David Paull presented a base budget request of \$509,000 for the Judicial Standards Board, which is an independent body charged with investigating allegations of wrongdoing by the judiciary. He also presented a request for a permanent increase of \$12,000 to pay for a router so the board can connect with state information and online systems.

### DOER budget heard

The State Government, Economic Development and the Judiciary Budget Division met Tues., Mar 20, to hear budget requests from the Department of Employee Relations (DOER), the Iron Range Resources and Rehabilitation Board (IRRRB), and the Minnesota Board of Government Innovation and Cooperation.

Commissioner Julien Carter introduced several people from his department to discuss various aspects of the DOER budget. He said recruitment, training, and health care costs are the key elements affecting the budget.

Bill Eisele gave the breakdown of the biennial budget for the human resources aspects of the budget, including \$786,000 for the Office of Diversity, \$2.384 million for Labor Relations, and \$1.342 million for Employee Assistance Program counseling. He also highlighted requests for changes in the department's budget. The overall request of \$22.132 million includes internal reallocations for reform of the hiring process and increased staff for the Training and Development Resources Center (TDRC). Carter said the additional staff of the TDRC will allow the

department to research solutions for state government's looming employee shortage. He said it is likely that 17 percent of all state employees will retire within 5 years.

Eisele discussed two other changes in the budget. The department is requesting a one-time appropriation to reimburse state agencies that settle back-pay claims in compliance with the federal Fair Labor Standards Act. Eisele also pointed to a request for base funding of \$715,000 for the biennium to pay premiums to the Workers Compensation Reinsurance Association.

The remainder of the department's budget deals with insurance provided to state employees. Sen. Richard Cohen (DFL-St. Paul), chair of the division, asked Carter to address the possibility that the University of Minnesota may withdraw from DOER's plan. Carter said the University currently accounts for about 25 percent of all enrollees in insurance programs administered by DOER. As such, he said, the University's departure would reduce revenue from premiums, decrease the plan's purchasing power, and diminish economies of scale in administrative costs. He also said the relatively younger age of the University's workforce may leave DOER with a higher proportion of claims.

Carter said the department needs to work with the University to attempt to offer them more flexibility and achieve a mutually beneficial result. He also said the department faces broader challenges associated with making health care costs affordable, since plans offered by the state do not currently require deductibles or co-pays for employees.

John Swift and Ron Dicklich of the IRRRB presented a budget request that Dicklich said is already being adversely affected by reductions in the mining industry. The agency is funded by taconite taxes, he said, and expects lost revenue averaging \$15 million a year. Swift said the board is working to cut costs without affecting its ability to leverage private investment, create jobs, and continue to diversify the region's economy.

Alan Klein and Gary Pagel of the Minnesota Board of Government Innovation and Cooperation presented a base budget of \$2.05 million for the biennium. Pagel said projects supported by the board through grants, mergers, or temporary waivers of rules or statutes result in improved services that ultimately save governments money.

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## Revenue budget heard

Testimony on Department of Revenue's budget began Weds., Mar. 21, at the State Government, Economic Development and the Judiciary Budget Division meeting.

Deputy Commissioner Bev Driscoll began the presentation with a brief

overview in which she said the vast majority of the department's 1,200 employees are dedicated to the efficient and accurate collection of \$13 billion a year in state taxes. She highlighted issues affecting the budget, including technology needs, a strong economy, changing demographics, and an aging workforce at

the department. Driscoll said the department has already experienced decreasing staff in the midst of increased filings brought about by the strong economy. Commissioner Matt Smith said changes in the structure of taxes also influences staffing needs. He said a staff increase of 48 people is required if the governor's tax reform package takes effect.

For the Tax Operations Division, Driscoll presented a budget of \$63 million for the department to process the 4.6 million returns it receives annually. She said electronic payments are growing but personal checks still account for 68 percent of payments received.

Driscoll initiated a discussion of the department's many budget changes. She said the first priority is a re-engineering initiative, for which \$12.6 million was granted last biennium. The request for FY 02-03 is \$5.4 million. She said the additional funding will complete the hardware, software, and personnel needs for the overall system. In addition, the request includes \$1.2 million for the biennium to scan a sample of federal returns submitted by taxpayers. She said the sample is used to monitor and project tax revenues.

A second change item, discussed by Kristi Schroedl of the department, covers changes in operational costs caused by legislative action last session. The \$285,000 annual request includes added printing and postage for revised tax forms and booklet, increased educational activity concerning the expansion of the education credit, and other miscellaneous costs. Sen. Richard Cohen (DFL-St. Paul), chair of the division, asked about each item comprising the funding. Schroedl provided amounts for line items where possible and said she will provide further data and explanation if necessary.

## Sales and Income Tax Budget Division

### Subtractions considered

The Sales and Income Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), examined ten bills that change policy in ways ranging from allowing subtractions to national guard pay to increasing deductions for charitable contributions.

The division heard two bills that affect nonprofit organizations. Sen. Ann



*The Senate's floor session on Thurs., Mar. 22, finds staff sorting through the myriad of bills continuing to be introduced as committee deadlines approach.*

Photo by David J. Oakes

Rest (DFL-New Hope) offered S.F.149, which permits individuals who do not itemize their deductions to claim 100 percent of their charitable contributions under \$500. She said that deductions for charitable giving are the only ones that do good for people who do not receive the deduction. Byron Laher from the United Way said that research has shown that tax incentives do not cause more people to donate, but do increase the amounts that donors give.

Division members also considered legislation that appropriates \$200,000 to the commissioner of revenue to give in grants to nonprofit organizations that provide taxpayer assistance services by volunteers to low income and disadvantaged Minnesotans. Jill Schwimmer, executive director of Accountability Minnesota, said the money is for staff who manage volunteer efforts as well as necessary office supplies. According to the Department of Revenue, Minnesota volunteers who provide tax assistance generated \$57.1 million in state and federal refunds combined. "That's \$36 million federal dollars that came back to Minnesota to be spent in the local economy," said Cathy Strobel, project manager for Family and Children Service.

Sen. Linda Berglin carried two bills that provide income tax subtractions for the costs of adoption. She said she was presenting both bills so the division could explore the options to providing a credit. The first, S.F. 1097, gives up to \$5,000 per child, or \$8,000 for a child with special needs, for tax credits for a number of adoption related costs including government fees, adoption agency fees, travel and medical costs for both the child and the birth mother.

The second, S.F. 1143, provides an income tax subtractions equal to the federal adoption credit, which allows up to \$5,000 per child, or \$6,000 for a child with special needs, for adoption related expenses. The federal credit provides smaller credits for households with more than \$75,000 in annual income.

David Pilgrim from the Children's Home Society said that prices of adoption can be more than \$30,000. "Adopted parents begin parenting significantly in debt," he said. Chuck Gerlach, a parent of adopted children, said, "Imagine the pain of finding out that adoption is your only option and then finding out that the financial obstacles are too much."

Two other bills concerning children were put forward. Sen. Thomas Neuville (R-Northfield) presented S.F. 307, which is identical to S.F. 690 authored by Sen. Charles Wiger (DFL-North St. Paul). The bill provides a \$2,200 tax credit for each of the taxpayer's personal and dependent exemptions allowed for federal tax purposes. Neuville made a technical amendment that adjusts the amount to \$2,100. He said the amendment was needed due to changes in the federal tax code. The combination of the \$2,900 federal tax exemption with the \$2,100 state exemption equals a \$5,000 deduction for every tax payer, his or her spouse and each child.

Jim Koppel from the Minnesota Children's Defense Fund said, "The amount of exemptions has fallen far behind the cost of raising children." He also said that the tax subtractions may be applied to dependant adults, such as elderly parents who live with their children. According to Koppel, the subtractions are substantial enough to keep every parent who is at or below poverty from paying income tax.

Sen. Steve Murphy (DFL-Red Wing) sponsored S.F.696, which requires overpayments of taxes or payments of property tax refunds to be applied by the commissioner of revenue to debts for child support for which claims have been made under the Revenue Recapture Act before being applied toward outstanding tax obligations. Lynn Willenbring from the Department of Revenue and Laura Kadwell from the Child Support Division of the Department of Human Services said that their departments were unprepared to take a position on the bill.

Sen. Roy Terwilliger (R-Edina) authored S.F. 151, which provides an income tax subtractions for social security income. The bill is identical to S.F.149, sponsored by Rest, and S.F. 355, sponsored by Sen. Grace Schwab (R-Albert Lea). Terwilliger said that 35 states do not tax social security benefits. Schwab said that last year the average monthly social security benefit was \$899 for an individual.

"Legislation should be passed to exempt income tax on all social security benefits," said Merle Genzlinger, a retired Edina resident. "Such legislation would keep some retired taxpayers from moving to one of the retiree friendly states. It would perhaps result in a net positive tax collection for the state."

Sen. Don Samuelson (DFL-Brainerd) presented S.F. 347, which allows income tax subtractions for individuals in the Minnesota National Guard, Armed Forces Reserve or active duty in the armed forces. The tax credit is given for the first \$5,000 of income for service performed any where and an additional \$3,000 for service done in Minnesota.

Michael Skwere, a member of the Minnesota National Guard, said, "The bill will help retention rates and help the Minnesota National Guard provide total force for the state."

The division also heard S.F. 284, a bill sponsored by Rest, that establishes conformity with the federal definition of S Corporations financial institutions. Doug Lewis, an executive from North Star Bank in Duluth, said that the change in the status of banks will provide incentives for banks to be sold to others in the community, instead of to larger corporate banks, because it treats banks more like locally owned businesses than national corporations.

## Property Tax Budget Division

### Biomass bill heard

The Property Tax Budget Division, chaired by Sen. Don Samuelson(DFL-Brainerd), heard five bills at its Tues., Mar. 20, hearing. All the bills were laid over for consideration in the omnibus tax legislation.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 1101. The bill provides a property tax exemption for the personal property and attached machinery that are part of a biomass power plant. The plant affected by the bill will be built in Benson by Fibrominn. Carl Strickler, vice president of the company, said the exemption helps the plant produce electricity and offer Xcel Energy power at a low price. Those price savings will be passed along to Xcel's Minnesota customers, he said. Several community leaders—from the city, county commission and school board—testified in favor of the bill and plant. They emphasized the benefits of such an investment in a rural Minnesota community. Samuelson asked what the amount of the tax exemption will be. Strickler said the estimate is about \$1.1 million. He also said the company has contacted the Minnesota Building Trades Council and

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intends to settle a project labor agreement with the council.

S.F. 967, also carried by Johnson, extends the special agricultural classification in cases where the owner or owner's spouse is required to live in employment provided housing that is four or more townships away from the agricultural property.

Sen. Dennis Frederickson (R-New Ulm) carried S.F. 1159, which allows the homestead classification to be used for individuals who must be absent from the property due to residence in an assisted living facility. Current law extends protection to individuals in nursing homes and boarding care facilities. "It's an issue of fairness," Frederickson said.

S.F. 259, authored by Sen. Arlene Lesewski (R-Marshall), provides that the education agricultural credit is equal to the full amount of the general education tax rate for all agricultural and timberland property.

Sen. Edward Oliver (R-Deephaven) carried S.F. 521. The proposal addresses the concerns of senior citizens who have difficulties staying in their homes when they are on a fixed income. The bill limits property taxes to six percent of the household incomes for individuals or couples who are age 65 or older, have lived in their home for at least 10 years and have an annual household income no greater than \$30,000.

## LGA bills heard

Members of the Property Tax Budget Division met Weds., Mar. 21, to hear testimony on seven bills. All of the bills were laid over for consideration in the omnibus tax bill.

Sen. Leonard Price (DFL-Woodbury) carried S.F. 576. The bill provides a temporary increase in local government aid (LGA) to the city of Newport. The city requested the aid because of the financial strain planned improvements to I-394 and Highway 61 will place on its tax system.

S.F. 483, carried by Sen. Jim Vickerman (DFL-Tracy), provides that the Heron Lake Watershed District (WSD) may annually levy up to .04836 percent of market value or \$225,000, whichever is less, for its administrative fund. Mike McCarvel, secretary of the WSD, said the district currently funds its program staff from grants. However, he said, several of the granting authorities have informed the Heron Lake WSD it will no longer be able

to fund staff costs from the grants. The administrative levy would be used to pick up those staffing costs, he said. Every county commission in the WSD, Vickerman said, supports the bill.

Sen. Claire Robling (R-Prior Lake) carried a bill that also deals with water management. S.F. 917 allows counties to certify tax levies for water management purposes separately from the general county levy. Thus the levy would appear on a tax statement as if it were imposed by a special taxing district, similar to the treatment granted WSDs. Dave Drealan, Carver County, said his county has a few small regions under WSDs but most of the county's water management is overseen by the county. Currently, he said, levies for water management appear as part of the general county levy.

Sen. Don Samuelson (DFL-Brainerd), chair of the division, presented legislation to extend the time over which market value increases to platted vacant land are applied. Currently market value increases are added over a three-year period. S.F. 29 extends the period to 10 years. Representatives from the city of Brainerd said extending the period encourages development while the current system makes developers hesitate if they aren't sure they can sell all of the lots in a subdivision within three years.

S.F. 21, carried by Sen. Don Betzold (DFL-Fridley), provides an increase of \$255,000 in LGA payments to the city of Osseo. Dan Sadler, the city's mayor, said the city is now being penalized for a lack of political savvy about LGA among city officials in the past. According to Dave Callister, city administrator, only five percent of the students going to school in Osseo live in the city. The student population of Osseo High School, he said, is equal to 58 percent of the city population. The city main street, Callister added, carries 15,000 vehicles per day and some of the residential streets carry over 2,500 vehicles daily. However, he said, the city receives no state aid for the maintenance of those roads.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) presented S.F. 412. The bill provides a property tax exemption for newly constructed residential buildings that are located on temporary foundations, are not connected to utilities and are located on land that will not be sold with the building. Sen. Steve Kelley (DFL-Hopkins) inquired about possible conflicts

with modular homes. Division staff said modular homes have special licensing that sets them apart.

A bill to exempt commercial lenders from the mortgage registry tax for agricultural loans, S.F. 290, was carried by Sen. Chuck Fowler (DFL-Fairmont). Currently only Farm Credit Services is exempt from the tax because it is a federal organization. Several bankers said the exemption creates fair competition for farm loans.

## Telecommunications, Energy and Utilities

### 911 fee increase debated

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Mar. 15, to discuss S.F. 663. The measure, authored by Sen. David Johnson (DFL-Bloomington) increases the maximum monthly fee on a customer's telephone access line from 30 cents to 50 cents. Under the bill, expenditures of 911 fees are authorized for costs of purchasing, installing and maintaining signs, posts or markers to signify addresses. Johnson said the money works as an incentive for counties to install signs and implement enhanced 911 service.

Jon Dejung, president of the state chapter of the Association of Public Safety Communication Officials said that each phone line and each wireless phone line in Minnesota is currently charged a surcharge of 27 cents each month, one of the lowest rates in the country. Public safety answering points (PSAPS) receive 10 cents from each surcharge, half of which is distributed between counties and 13 government entity PSAPS and half of which goes to counties and cities on a per capita basis. Under current law, the 10 cent portion for PSAPS may be spent on hardware and software for phone systems, equipment necessary for dispatching response units and training. Dejung said the increase is needed because the hardware and software needs far outstrip what surcharge revenues now provide. He also said that some counties need selective routing and others need to take the next step for data-age technology or to replace and upgrade equipment.

An amendment was adopted to ensure that 20 cents of the 50 cent surcharge goes to PSAP call centers. Another amendment was proposed to delete a provision in the



bill allowing that money be spent on address location signs, since some counties have already spent their own funds on signage, Dejung said. Sen. Arlene Lesewski (R-Marshall) said she could not support the amendment because she thinks counties should be funded for the costs of signage. The reason that some counties have not purchased and installed signs is that they can't afford it, she said. Members did not adopt the amendment.

Sen. Steve Kelley (DFL-Hopkins) said he thought that rather than spending funds on signage, it might make more sense to equip ambulances with global positioning apparatus. Dejung said he could not at this time estimate cost comparisons between the two location-finding approaches. Kelley offered an amendment to expand a portion of the bill to allow fees collected for enhanced 911 services to include expenditures on global positioning equipment. Jerry Knickerbocker, spokesperson for the Minnesota Telephone Association, said his organization "takes the position that surcharge fees should not be used for global positioning or other expenses not directly related to phone service. Phyllis Harvin, Qwest spokesperson, said she also could not support collecting fees for signs or global positioning. Representing the American Heart Association, O.J. Doyle said he was in favor of the bill and any means of advancing ambulance service because early access to medical personnel greatly increases survival rates. Sen. Kenric Schveevel (R-Preston) offered an amendment to cap at 40 cents, rather than 50 cents, the amount that customers be charged each month for 911 service. Members voted to adopt Schveevel and Kelley's amendments. The bill was approved and advanced to the floor.

### Energy efficiencies discussed

Two energy bills were presented at the Tues., Mar. 20, meeting of the Telecommunications, Energy and Utilities Committee. Sen. Leonard Price (DFL-Woodbury) carried S.F. 1501, a measure to require an energy efficiency impact statement for projects seeking funding from the state bond fund. The bill also requires that government buildings, including schools and buildings owned by the state, counties and cities, must comply with energy codes adopted by the commissioner of administration. Under the bill, standards must be met that using energy conserving technolo-

gies that demonstrate a payback over an eight-year or less period. The standards apply to renovations as well as new building construction.

Price told members that he was here to talk about the future. "I'm forwarding a concept to take a look at how we're designing and constructing buildings." He invited Sierra Club spokesperson Sam Garst to address the potential energy savings related to building technologies. Garst said the United States uses two thirds of its energy resources in its buildings, and that in Minnesota, we could be saving 70-90 percent of energy costs in state buildings, resulting in a cost savings of \$70-\$100 million per year.

Sen. Edward Oliver (R-Deephaven) said he was concerned about slowing down the building process by requiring efficiency impact statements. Garst told the committee that the statements would slow the process down, but that the long term gains would be worthwhile. He said that the best results occur when a thorough and thoughtful plan is approved.

Michael Krause, Green Institute, described the Green Institute building, a 64,000-square-foot high performance business center that opened in 1999. According to Krause, the building cost \$78 per square-foot to build. He said the building incorporated energy saving elements including a geo-heat pump unit that negated the necessity for a furnace and air conditioning. Heat pump systems work by moving air through extensive ductwork that is routed underground where air temperatures remain constant at about 40 degrees, he said. The building was designed with extensive day lighting and special 3M-produced mirrors to reflect sunlight from skylights. Sensors monitor air quality and artificial lighting to maximize efficiencies and optimize health considerations, said Krause. He estimated that initial construction costs are between one and two percent more expensive than building with traditional designs and materials. For every dollar spent, there is a \$6 return on investment over a 40-year time span, Krause said.

Sen. Ellen Anderson (DFL-St. Paul) said the state is currently thinking of spending about \$30 million to help schools pay heating bills for this winter. She said it clearly makes sense to invest that amount in renovating and constructing new buildings utilizing green building technologies.

Kate Onska spoke on behalf of the Dept. of Administration. She said the state was currently implementing several energy savings programs, but that she had concerns with the length of payback using new technologies. She and others also expressed concern about the building code effective dates specified in the bill. Sen. James Metzen (DFL-South St. Paul), who chairs the committee, said that S.F. 1501 could be incorporated into the omnibus energy bill. The bill was laid over for further discussion.

Sen. Dan Stevens (R-Mora) presented S.F. 1516, a measure to include biogas recovery facilities in the renewable energy production incentive program. Under the program, incentive payments are made based on the number of kilowatt hours of electricity generated at a rate of 1.5 cents per kilowatt hour. According to Stevens, an anaerobic digester system processes animal waste and produces gas used to generate electricity.

Henry Fisher, East Central Energy, provided an overview of the digester process. Haubenschild Farms Inc., located near Princeton, Minnesota, is a 1000-acre, family owned and operated dairy farm with over 400 cows. The farm is processing manure in an experimental biogas recovery unit, said Fisher. He said the unit produces enough electricity to provide all the energy needs on-farm, in addition to enough surplus electricity to power about 45 average homes. He said the systems are 98 percent efficient and have a potential payback period of five years or less.

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

## Transportation

### Cost participation considered

The Transportation Local Impact Subcommittee met Mon., Mar. 19, to hear continued testimony on MNDOT's revised cooperative construction cost participation policy and the city of Newport's related funding problems. Sen. Ann Rest (DFL-New Hope) discussed recommendations for cost participation policy for highway projects.

Sen. Leonard Price (DFL-Woodbury) said the city of Newport is experiencing funding problems related to the Wakota Bridge project because the city's tax base is too small to levy the necessary funding. He said the city's population is too small to qualify for municipal aid funding and

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the project cost projections went from \$10 million in 1995 to \$206 million in 2001. He said city officials had to come to the Legislature for funding so the project could gain city approval and move forward. He said, "An agreement was reached between the city and MNDOT but the money appropriated was still short, in the city's mind, to complete all upgrades needed."

Price said, "We need to address how to best approach construction projects for cities like Newport." There are a couple of funding possibilities for similar scenarios, he said. Allowing cities an advance on local government aid allows for project approval and creates a fund for cities in Newport's position, he said. The measure enables projects to move forward and allows small municipalities to pay over a long period of time, he said.

Sen. Satveer Chaudhary (DFL-Fridley), committee chair, asked what the settlement was regarding the allowance of city road upgrades during the construction phase. Price said MNDOT and Newport are still in discussions. However, he said, "The city feels an upgrade is needed on some local roads because part of the local road system is really deplorable and you want to redirect traffic to roads that are adequate."

Rest presented cost participation funding scenarios for local governments caught in a position of being unable to procure funding for highway projects. She said generating a funding formula for distributing aid to local governments is a possibility, but the distribution formula should be studied. Other funding possibilities included a local development fund and looking at the project cost relative to a city's population, average net tax capacity and amount of aid cities already acquire, so formulas will not preclude cities of the first class, she said.

Sen. Satveer Chaudhary (DFL-Fridley) asked if creating a fund or formula based on ability to pay was considered. Rest said one-time funding aid still needs to be formula-driven because it recognizes the existing burden on the community. Tiers of expenses were considered on a scale from zero to 100 percent, she said, with zero being city's direct costs and 100 percent being total discretionary expenditures. She said this type of funding would be set in place when MNDOT and locals decide which costs are discretionary and which are not. In addition, she said, "I

don't think the Legislature should micro-manage what costs are direct or not and once that decision is made, the Legislature should have an aid formula to help locals bear the cost burden."

"Should there be a requirement that the immediate region be responsible for some project cost participation?" asked Chaudhary. Rest said, "It seems to be reasonable, however, if other cities reap some of the benefits and therefore, are required to share costs, then they would need to share project decisions and that could cause more problems. Having the state assume some costs seems the prudent way to proceed."

Mark Krebsbach, from MNDOT, resumed a presentation on the department's cost participation policy and said, "MNDOT's goal is to attain an equitable distribution of costs on highway projects." The department was charged with updating the policy in March 1999 and the intent was to work within the existing laws and have full implementation of the new policy by July 1, 2001, he said.

Krebsbach said some of the policy changes to relieve cities of a portion of highway project costs include having the state assume up to a 100 percent funding share to perpetuate drainage for trunk highway projects. In the past, he said the cost was paid by a ratio of whose water was in the pipes. He said it was also arbitrarily decided and now it will be uniformly decided. Federal funds, he said, now apply to local share through an area transportation plan and Federal funds are now expanded to include some multi-modal items such as various park-and-ride expenses, transit hubs and bike facilities. In the past, cost participation for sections of bridge/interchange and aesthetics was done on a case by case basis.

## Sane lanes debated

A bill regarding high occupancy vehicle (HOV) lanes dominated discussion at the Tues., Mar. 20, meeting of the Transportation Committee. The committee also heard testimony on three other bills.

Sen. Dick Day (R-Owatonna) carried S.F. 257, a bill that requires the commissioner of transportation to conduct a study of traffic flow and safety on I-394. The study will include removing HOV lane—or so-called "sane lane"—designation from the interstate. The commissioner must report

the results of the study by Feb. 1, 2002. Day said that HOV lanes were implemented primarily to encourage greater use of car pools and mass transit. For nine years, he said, we've tried to modify the driving public's behavior and it hasn't worked.

Day also cited several statistics that show that Minnesotans are drawn to the freedom, flexibility and efficiency driving alone offers them. "People prefer cars. I think that's going to continue," he said. In the end, he said, the critical question is "what was our goal and have we achieved it."

Since some federal funds were used to build the interstate, Sen. Randy Kelly (DFL-St. Paul) asked if the state would have to seek federal approval to open the HOV lanes to regular traffic. Kelly, who chairs the committee, also asked how long the study would last. According to Day, federal approval is not needed. While the bill does not currently specify the length of the study, Day suggested a six-week timeframe.

Commissioner of Transportation Elwyn Tinklenberg said the information the study will gather is collected under the current system. Quarterly updates are produced by MNDOT, he said, and can also be used for modeling the impacts of redesignating the current HOV lanes. MNDOT, Tinklenberg said, is opposed to allowing general traffic on the HOV lanes because of the impacts on mass transit, accidents, traffic flow and air quality predicted by the department's models. Day cited a New Jersey report that determined that air quality actually improved when HOV lanes were redesignated.

Dick Stehr, MNDOT, presented some of the information the department's models suggest. Currently the HOV lanes carry more than half the passenger trips per lane, he said. People have adjusted their travel, he said. They are taking other routes, changing the times they commute or using carpools or transit services, Stehr said. Opening the HOV lanes to general traffic creates operational and safety problems because those lanes are not intended for general use, he noted. Transit use and car pooling will drop, Stehr said, thus increasing the number of single-passenger vehicles on the road. Transit would become less efficient because of the increased traffic, he said. With increased accidents, he said, emergency response time will also increase. It is difficult to get

emergency vehicles into the current HOV lanes, Stehr said.

Natalio Diaz and Arlene McCarthy, Metro Transit, expressed concerns about the impact the bill will have on transit services. Diaz said removing 375 cars per lane per hour takes a freeway from critical traffic levels to a freeway with easy maneuverability. That number of single passenger cars is equivalent to 10 buses, he said. The interstate currently carries 60 buses across 3 lanes of HOV traffic during peak hours, he said. That level of ridership, Diaz noted, is equivalent to the addition of a full lane of traffic capacity. The corridor, McCarthy said, has seen an increased ridership of 18 percent while the whole system has only increased its ridership by 11 percent.

Riders lost to the draw of single-passenger driving on the HOV lanes, McCarthy said, will only add to the traffic congestion on the corridor and slow the buses down. To maintain the current schedule, she said, more buses and drivers will have to be used. The net result will be increased costs for less effective service, McCarthy said.

The bill was re-referred to the Finance Committee with a recommendation to pass on an 8-5 roll call vote.

S.F. 1191, carried by Johnson, reallocates 12 percent of a driver's license reinstatement fee. The reinstatement fee of \$250 is assessed when a driver applies for license reinstatement after a DWI citation. Currently, the 12 percent is split between the Dept. of Children, Families and Learning and a grant to St. Cloud State University administered by MNDOT. The bill reallocates the money to the Minnesota Safety Council. Both current law and the proposal designate the money for alcohol and highway safety educational programs in elementary and secondary schools. John Palmer, Minnesota Driver and Traffic Safety Education Association, said consolidating the funds delivers alcohol and highway safety education programs in the most efficient manner.

The bill was re-referred to the Finance Committee with a recommendation to pass.

The committee also heard S.F. 1457. The bill, also carried by Johnson, is a proposal from the Dept. of Public Safety (DPS) to create a special revenue account for fees collected by and appropriations for the department's division of driver and vehicle services. Brian Lamb, DPS,

explained that the division currently creates \$24 million in annual revenue that is placed into the Trunk Highway Fund (THF). The division's \$21 million annual budget is appropriated out of the THF, he said. DPS is also requesting, he said, an open appropriation of about \$3 million to support driver's license production and mailing costs. Lamb noted that, under the bill, the open appropriation is not used to fund DPS labor costs, but only the actual production costs for the license cards. Senate Research explained that money deposited into the THF is constitutionally dedicated to trunk highway projects. Funding licenses from the THF is thus constitutionally unclear.

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

S.F. 1409, carried by Kelly, is a housekeeping bill offered by DPS. It revises statutes regarding classifications for one ton passenger vans and temporary permits for special vehicle classifications, provides a definition of a utility trailer and sets forth police accident report improvements. The bill also changes the grounds for cancellation of a dealer's license without hearing to include times when dealers are not operating out of their licensed location. The bill also allows for the refund of sales taxes paid when a motor vehicle sale is canceled and makes available to researchers an accident records database already maintained by DPS. S.F. 1409 also allows drivers to display permits at the same time as expired registration, authorizes electronic signatures and dates of birth on driver's licenses, adjusts civil judgment satisfaction levels to comply with insurers, eliminates obsolete language, and authorizes DPS to advertise.

The bill was sent to the floor with a recommendation to pass.

## Transportation and Public Safety Budget Division

### Agency budgets heard

Budget overviews were heard by the Transportation and Public Safety Budget Division Thurs., Mar. 15. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), also heard from the Boards of Architecture and Engineering, Barber Examiners, Electricity, the Workers' Compensation Court of Appeals, the Minnesota Safety Council and the Bureau of Mediation Services.

The Board of Architecture and Engineering budget was overviewed by Doreen Frost, executive director of the board. Frost said, "The board was established to safeguard life, health, and property, and to promote the public welfare." She said the board is mandated to examine, certify, license and regulate individuals practicing in engineering and land surveying. In addition, she said, the board also oversees the areas of landscape architecture, professional geology, professional soil science and individuals who use the title "certified interior designer."

Frost said the board issues approximately 1,000 new licenses annually. She said in the 2000-2001 biennium, the board received 300 complaints alleging violations of its rules and laws, and conducted about 3,600 examinations. She said license fees are increasing from \$104 to \$120 per license and the fees recover agency costs. The fee increase allows for enforcement financing, computers and computer upgrades, an additional investigator, and office space rental, said Frost.

She said the governor's budget appropriates \$951,000 in FY 02 and \$981,000 in FY 03. Additionally, she said, the governor is recommending a \$35,000 and \$10,000 appropriation in FY 02 and FY 03, respectively, to improve the agency's technology capacity.

Sen. Randy Kelly (DFL-St. Paul) said, "There have been many charges against your board and the Legislative Auditor did audit the agency twice, but it seems adding an investigator is enough to solve some of the major complaints raised over the last few years."

William Sutherland, board chairman, said the board only pursues specific allegations. "There is a discrepancy and dichotomy between broad stroke allegations and the kinds of things the board is authorized to do. I think it would take a change in statute to allow us to investigate wide scope complaints," he said. Kelly said the committee needs to look at what kinds of statutory changes and modifications need to be made to assist the board in performing its function.

Workers' Compensation Court of Appeals Chief Judge Steven D. Wheeler, presented the budget. Wheeler said the court consists of five judges who decide all legal matters concerning workers' compensation disputes. The court's budget request was \$1.6 million for this biennium, but the

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governor asked for a reduction and the court responded with a \$65,000 cut, he said. The governor recommend appropriations of \$1.569 million and \$1.618 million in FY 02 and FY 03, respectively. Further, he said, the governor recommends reallocating \$130,000 to the Department of Labor and Industry to provide support for the workers' compensation case scheduling and management system.

The Board of Barber Examiners' budget was presented by Kenneth Kirkpatrick, board member. He said the governor appropriates \$153,000 in FY 02 and \$159,000 in FY 03 proposed for the budget.

Lance Teachworth, Bureau of Mediation Services commissioner, said the governor's budget proposal appropriates \$2.430 million in FY 02 and \$2.478 million in FY 03 for the bureau. He said the budget includes an increase of \$29,000 annually for on-going technology infrastructure support and funding to improve technology capacity.

John Schultz, executive secretary of the State Board of Electricity and Minnesota Safety Council President Carol Bufton also presented budgets for their areas of responsibility.

## Domestic violence bill heard

A wide variety of bills were heard by the Transportation and Public Safety Budget Division Tues., Mar. 20. Bills pertaining to sports funding, rural violence prevention services, domestic abuse protection and historic structure preservation were presented to the committee for possible inclusion in the omnibus bill.

S. F. 499, authored by Sen. Randy Kelly (DFL-St. Paul), proposes a funding continuation of the Ramsey County and St. Paul Attorney Offices joint domestic abuse prosecution unit pilot project. Ramsey County Attorney Susan Gaertner testified in favor of the bill. She said the unit focuses on domestic assaults where children are present. She said, "Children are present in 70 percent of domestic abuse cases prosecuted in St. Paul. Sometimes they are witnesses and sometimes they are targets."

The unit seeks to break the domestic violence cycle by aggressively prosecuting all levels of domestic assault and pursues tough consequences for offenders, she said. Connecting adult and child victims with services to help them overcome the impact of domestic violence is also sought, she said.

St. Paul Attorney Clayton Robinson also testified in favor of the bill. He said 15,000 domestic abuse police calls were received in 1999 and a survey shows 50 percent of men who abuse their wives also abuse their children. He said, "The new unit combines all functions of domestic abuse/child-present cases into one unit and limits fragmentation of responsibility.

Robinson also said, "The new unit achieved promising results in its first three months of operation."

Gaertner said funding expires after just one year of operation and an appropriation of \$565,000 is needed this biennium to continue the program. She said the unit is presently sharing space and resources in the county attorney's office and it has been a considerable strain.

Kelly said there are one million women and 148,000 men victimized by domestic violence each year in the United States. He also said there are 1,700 domestic abuse cases prosecuted yearly in St. Paul and 40 women died in Minnesota last year as a result of domestic violence. "It's a cycle and kids tend to play out the behaviors of adults. We need to find a way to break the cycle," he said. "There is a crisis here that cries out for better strategies in dealing with domestic abuse," Kelly said.

Sen. Dean Johnson (DFL-Willmar), committee chair, presented S. F. 884, a bill appropriating \$300,000 in both FY 02 and FY 03 for the continuation of the Center for Reducing Rural Violence.

The committee heard testimony in support of the bill from several witnesses. Cheryl Heilman, director of the Center for Reducing Rural Violence, said, "The center helps rural communities address issues of violence by providing technical assistance, research and evaluation, and education and advocacy." Rocky Papisodora, public safety director for the Leech Lake Band of Ojibwe, said, "The agency provides a needed service to combat violence in the Indian community."

S. F. 408 was presented by Sen. Sandra Pappas (DFL-St. Paul). She said the bill appropriates \$10 million to a historic preservation grant program that provides up to 20 percent of the cost to renovate a designated historic property. Bob Frame, Preservation Alliance of Minnesota director, said, "It's the right thing to do in terms of protecting our state's heritage and is a positive economic measure in protecting past investments." He said historic

building owners cannot afford renovations and the grant program is a tool for providing preservation funding.

Sen. Jane Krentz (DFL-May Township) authored S. F. 184, a bill authorizing \$4.9 million in state bonds to appropriate money for the addition of a sports conference center at the Blaine National Sports Center. Krentz said the bill also requires a match of \$1 million in non-state funds. She said \$2.6 million will be generated by meetings associated with sports programs. The total cost of the center is \$6.2 million, but \$300,000 was already appropriated for planning, she said. Krentz also said the 30,000 square foot center adds economic benefit to the state and an additional dimension to sports. Additionally, she said, the facility will be operated without any state subsidies.

Sen. James Metzen (DFL-So. St. Paul) presented S. F. 144, which appropriates \$12 million for soccer field development. The bill includes matching funds, he said, and provides grants ranging from \$20,000 to \$100,000. Paul Erickson, Amateur Sports Commission executive director, said there are \$6 million worth of applications waiting for funding and 500 fields are needed. Ellie Singer, vice president of Minnesota Youth Soccer, said soccer is not only about physical fitness but gender equity, cultural diversity and community. "Every ethnic group in the state plays the sport," said Singer.

Metzen also presented S. F. 669, a bill that appropriates \$4 million for development grants for the Mighty Ducks Ice Arena Program. Metzen said the funding in the bill will completes the needs that were addressed in the first Mighty Ducks program. He said Mighty Ducks has proven to be a good program and allows kids to skate during appropriate hours.

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# Preview

Monday, March 26

## Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 1013-Pogemiller: Legislative and congressional districts redistricting principles. S.F. 1326-Pogemiller: Joint legislative resolution establishing districting principles for legislative and congressional plans. H.F. 486-Lesewski: Newspapers or magazines paid political advertisement disclaimers legibility requirement. S.F. 95-Marty: Absentee voting procedures simplification. Personnel issues.

**The Senate will meet at 11:30 a.m.**

## Education Committee

*Chair: Senator. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 427-Scheevel: Limiting teacher leave in charter schools. S.F. 807-Kiscaden: Limiting teacher leave extensions to teach in charter schools. S.F. 1854-Pappas: Imposing fiduciary responsibility on the sponsor of a charter school. S.F. 1855-Pappas: Obligating charter schools to incorporate before entering into contracts. S.F. 750-Neuville: Requiring parents and providers to evaluate appropriate programs and services before providing amphetamine prescription drugs to children with ADD or ADHD.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 1431-Moe, R.D.: Creating healthy kids learn endowment fund. S.F. 1844-Moe, R.D.: Establishing an outreach campaign for health coverage. S.F. 1233-Kiscaden: Changing recovery provisions. S.F. 1336-Anderson: Prohibiting certain actions by health care facilities when nurses decline to work additional hours. S.F. 1370-Berglin: Intergovernmental transfers. S.F. 1394-Kiscaden: Changing child placement provisions. S.F. 1515-Stevens: Creating a program for respite care for family adult foster care providers. S.F. 1824-Marty: •Comprehensive approach to the prevention and treatment of compulsive gambling. S.F. 1460-Marty: Applying the duty to warn law to social workers. S.F. 1802-Fredrickson: Exempting certain nursing facilities for certain therapy services billing requirements. S.F. 1549-Chaudhary: Providing for an advisory task force on placement of high-risk youth. S.F. 1341-Foley: Requiring disclosure of the form of care or treatment provided in certain special care status units. S.F. 1744-Higgins: Providing for certain mental health coverage, prohibiting certain payment methods for HMOs. S.F. 498-Higgins: Changing provisions in the MA prepayment demonstration project. S.F. 1531-Lourey: Creating a pediatric prepared emergency network. S.F. 1635-Samuelson: Expanding Medical Assistance to cover

intensive early intervention behavior therapy for autistic people. S.F. 1935-Berglin: Medical Assistance for targeted case management services. S.F. 1365-Berglin: Creating a health care endowment fund.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

4 p.m. Room 15 Capitol

**Agenda:** Continuation of 1 p.m. agenda.

## Jobs, Housing and Community Development Committee

*Chair: Sen. Ellen Anderson*

6 p.m. Room 123 Capitol

**Agenda:** S.F. 1641-Terwilliger: Home ownership assistance. S.F. 1301-Robertson: HRA bond thresholds. S.F. 1837-Sabo: MHFA department bill. S.F. 1591-Orfield: Section 8 home ownership. S.F. 1190-Cohen: Housing funding. S.F. 1217-Cohen: Inclusionary housing. S.F. 1619-Rest: Streamlined development and S.F. 1205-Johnson, Douglas: Construction project regulation, if approved by State and Local Governmental Operations.

## Legislative Commission on Pensions and Retirement

*Chair: Sen. Dean Johnson*

6 p.m. Room 316 Capitol

**Agenda:** Report of the prior service credit purchase subcommittee. S.F. 313-Larson/H.F. 303-Cassell: PERA-P&F; Service credit purchase for prior police or paid fire employment. S.F. 370-Wiger/H.F. 465-Marko: PERA-P&F; Prior military service credit purchase. S.F. 409-Solon/H.F. 619-Swapinski: Various plans; Prior military service credit purchase. S.F. 517-Betzold/H.F. 122-Skoglund: Various plans; Parental or family leave service credit purchase. S.F. 611-Betzold/H.F. 1240-Bernardy: Various plans; Prior military service credit purchase restriction elimination. S.F. 1321-Pogemiller/H.F. 1462-Mares: TRA & MnSCU IRAP; Prior service credit purchase provisions. S.F. 1676-Tomassoni/H.F. 1656-Rukavina: TRA; Day activity center teaching service purchase. S.F. 1362-Pogemiller/H.F. 1646-Wenzel: TRA; Membership modifications for employees of labor organizations. S.F. 849-Vickerman/H.F. 1410-Gunther: MSRS; Rural policy center employees program participation eligibility. S.F. 641-Pogemiller/H.F. 695-Osskopp: MSRS; Health care reimbursement plan. S.F. 1322-Stumpf/H.F. 1294-Mares: MSRS; Postretirement health care savings plan. S.F. 1484-Pogemiller/H.F. 1768-Mullery: MPRA; Minneapolis police relief association voluntary employee benefit organization. S.F. XXX/H.F. 2029-Haas: Department of employee relations health care account establishment. S.F. 1755-Stumpf/H.F. 1868-Davids: School employee health care accounts.

## Crime Prevention Committee

*Chair: Sen. Jane Ranum*

7 p.m. Room 125 Capitol

**Agenda:** To be announced.

## Legislative Coordinating Commission Subcommittee on Employee Relations

7 p.m. Room 300S State Office Building

**Agenda:** Elect officers. Adopt subcommittee rules. Review/approve subcommittee budget. Review/approve ratification bill (H.F. 1739/S.F. 1438). Review/approve 95 percent salary cap bill (H.F. 1742/S.F. 1437). Receive report by HayGroup on agency head salary range evaluation.

Tuesday, March 27

## Education Subcommittee on Early Childhood Education

*Chair: Sen. Becky Lourey*

8 a.m. Room 123 Capitol

**Agenda:** S.F. 1761-Chaudhary: Appropriating money for the basic sliding fee child care program. S.F. 1851-Robling: Consolidating MFIP and basic sliding fee child care assistance programs; modifying income eligibility. S.F. 1393-Moe, R. D.: Modifying child care market rate survey. S.F. 1170-Lourey: Increasing the hold harmless provision for Head Start grantees. S.F. 1247-Robertson: Expanding services and eligibility for state Head Start funds.

## Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

8 a.m. Room 107 Capitol

**Agenda:** S.F. 295-Price: LCMR appropriations. S.F. 1270-Kinkel: Sunken logs prohibition. S.F. 1695-Murphy: Feedlot provisions. S.F. 1305-Ring: Restricting insecticide use by the Metro Mosquito Control District. S.F. 1486-Stevens: Wetland regulation changes. S.F. 628-Scheevel: Modifying requirements for the Bluffland Trail. S.F. 1126-Kinkel: Omnibus tax-forfeited land bill. S.F. 1811-Ourada: Allowing transfer of a public drainage system to a water management authority. S.F. 1496-Murphy: Authorizing tax levies in subwatershed units. S.F. 1828-Langseth: Designating a river as a canoe and boating route. S.F. 1948-Sams: Designating a river as a canoe and boating route.

## Judiciary Committee

*Chair: Sen. John Marty*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 729-Foley: Modifies civil commitment procedures. S.F. 880-Kiscaden: Modifies human services licensing data release provisions. S.F. 386-Ranum: Racial profiling bill. S.F. 1021-Dille: Marriage license fee reduction for premarital education participation. S.F. 1088-Orfield: Landlord and tenant prefiling mediation program. S.F. 1374-Betzold: Tax data classification and access. S.F. 1434-Price: Modifies water permit provisions. S.F. 1538-Ranum: Government data practices commissioner of administration opinions issuance provisions. S.F. 357-Price: Educational

# Preview

data classification. S.F. 1017-Terwilliger: Photo evidence of traffic signal violations.

## Transportation Committee

*Chair: Sen. Randy Kelly*  
9 a.m. Room 112 Capitol  
**Agenda:** To be announced.

## State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*  
1 p.m. Room 107 Capitol  
**Agenda:** S.F. 1614-Hottinger: Federal age discrimination in employment or fair labor standards act. S.F. 1507-Knutson: Modifying state procurement practices. S.F. 1098-Oliver: Transferring remaining duties of commissioner of public service to commissioner of commerce. S.F. 1707-Vickerman: Public officer's survivor benefits. S.F. 1680-Robertson: Dept. of Admin; housekeeping. S.F. 1367-Lourey: Modifying provisions related to a change of county boundaries. S.F. 1558-Higgins: Cost allocation system for metro disposal system. S.F. 1435-Price: Provisions relating to designer selection board. S.F. 1432-Wiger: Police civil service examinations. S.F. 1746-Cohen: Providing for design-build contracts. S.F. 1714-Robertson: Hennepin Cty. design-build contracts. S.F. 1953-Orfield: Providing for appointment of supervisors for Hennepin Cty. SWCD's. S.F. 1895-Robertson: Permitting Office of Technology to solicit and accept advertising revenue.

## Telecommunications, Energy and Utilities Committee

*Chair: Sen. James Metzger*  
1 p.m. Room 15 Capitol  
**Agenda:** S.F. 375-Vickerman: Promoting wireless Internet access in rural southwestern MN. S.F. 446-Johnson, Douglas: State agencies to allow commercial wireless equipment to be placed on state-owned lands. S.F. 1446-Kelley, S.P.: Regulating telecommunication services purchasing cooperatives. S.F. 1796-Kelly, R.C.: Provisions allowing later, subsequent telecommunications access to multiple-resident dwellings.

## Legislative Coordinating Commission Subcommittee on the Office of the Revisor of Statutes

1:30 p.m. Room 300N State Office Building  
**Agenda:** Election of chair. Presentation of the Revisor of Statute's Office proposed budget.

## Capital Investment Committee

*Chair: Sen. Keith Langseth*  
2:30 p.m. Room 123 Capitol  
**Agenda:** S.F. 857-Samuels: Modifying prior funding for local bridge replacement and Gillette Children's Hospital.

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*  
4 p.m. Room 118 Capitol

**Agenda:** S.F. 241-Berg: Lazarus Creek floodwater retention project. S.F. 383-Wiener: Natural disaster assistance. S.F. 513-Dille: Lamb and wool programs. S.F. 812-Scheid: Civilian Conservation Corps worker statue. S.F. 856-Johnson, Dean: Turkey respiratory disease research. S.F. 993-Hottinger: Malformed amphibians.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*  
4 p.m. Room 123 Capitol  
**Agenda:** Legislative Auditor's Report-DHS Regional Treatment Centers and Long Term Care Facilities Late Billings and DHS Recording of Child Support Transactions within State's Accounting System. S.F. 620-Ring: RTC identification of those in graves. S.F. 597-Hottinger: Adjust payment for ambulance services. S.F. 985-Lourey: Home sharing grant program. S.F. 789-Berglin: Modify nursing home rates for ventilator dependent persons. S.F. 1001-Sams: Minnesota uniform health care identification standards. S.F. 948-Sams: MA/GAMC and MnCARE inpatient hospital rate increase; non-metro. S.F. 189-Sams: Farm families and business operators - mental health consulting support.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*  
4 p.m. Room 107 Capitol  
**Agenda:** Budget presentations on the Supreme Court and the Court of Appeals. S.F. 38-Ranum: CRIMNET. S.F. 105-Kelly, R.C.: Minnesota computers for schools. S.F. 911-Bachmann: Bayport storm sewer. S.F. 1075-Johnson, David: Minnesota investment fund appropriation. S.F. 1525-Lesewski: Minnesota investment fund local public facilities grants.

## Tax Committee

*Chair: Sen. Lawrence Pogemiller*  
4 p.m. Room 15 Capitol  
**Agenda:** Budget resolution. Discussion of tax incidence analysis. S.F. 1759-Kleis: Providing for payment of a sales tax rebate.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*  
4 p.m. Room 112 Capitol  
**Agenda:** S.F. 204-Moe, R.D.: Local key bridges replacement, rehabilitation and repair bond issues and appropriation. S.F. 439-Kinkel: Trunk highway #64 new bridge construction appropriation. S.F. 199-Johnson, Dean: Town bridges engineering costs payment. S.F. 621-Kelly: Ford Parkway Bridge reconstruction appropriation. S.F. 1207-Vickerman: Nobles County Prairieland Transit system operating costs grant appropriation. S.F. 968-Langseth: Greater Minnesota transit assistance appropriation. S.F. 1286-Scheid: Brooklyn

Center replacement transit hub bond issue and appropriation.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*  
7 p.m. Room 15 Capitol  
**Agenda:** S.F. 1412-Berglin: Department of Health budget bill. S.F. 1521-Berglin: Grant to Minneapolis for a health education and promotion program on food safety. S.F. 1430-Eliminating commissioners reporting requirements for alcohol and drug counselors. S.F. 1464-Lourey: Modifying lead poisoning prevention provisions. S.F. 1477-Foley: Child support performance.

## Judiciary Subcommittee on Data Practices

*Chair: Sen. Don Betzold*  
7 p.m. Room 318 Capitol  
**Agenda:** Bills referred from other committees.

## Wednesday, March 28

## Agriculture, General Legislation and Veterans Affairs Committee

*Chair: Sen. Steve Murphy*  
9 a.m. Room 107 Capitol  
**Agenda:** S.F. 1104-Capitol: Clarifying certain national guard eligibility and rank designation requirements. S.F. 1282-Dille: Urging the Minn. Historical Society to keep the Confederate battle flag in Minnesota. S.F. 1455-Vickerman: Providing benefits to unemployed veterans who are receiving a military pension. S.F. 1506-Larson: Providing for the Veterans Homes Board to administer planned giving donations. S.F. 1644-Kelly: Memorializing the President and Congress to promptly provide aid to the victims of the Jan. 26 earthquake in India. S.F. 586-Fischbach: Increasing allowable tuition reimbursement for national guard members. S.F. 1034-Murphy: Authorizing special motorcycle license plate for combat wounded veteran.

## Commerce Committee

*Chair: Sen. Sam Solon*  
9 a.m. Room 112 Capitol  
**Agenda:** S.F. 1752-Solon: Omnibus liquor bill; authorizing the use of machines to premix and dispense intoxicating liquor. S.F. 173-Langseth: Authorizing the city of Moorhead to issue additional liquor licenses. S.F. 242-Ourada: Authorizing additional on-sale liquor licenses for the city of Elk River. S.F. 781-Orfield: Authorizing the city of Minneapolis to issue an on-sale wine and malt liquor license for the Loring Playhouse. S.F. 1675-Kelley, S.P.: Authorizing additional on-sale intoxicating liquor licenses for St. Louis Park. S.F. 1693-Pappas: Authorizing St. Paul to issue on-sale wine and malt liquor licenses to the Great American History Theater and Flanagan's Wake at the Palace Theater. S.F. 1950-Krentz: Authorizing additional on-sale intoxicating liquor licenses for Blaine. S.F. 1666-Murphy:

Allowing licensing exemption for certain sales of horse trailers and temporary sales of recreational vehicles. S.F. 736-Scheid: Regulating motor vehicles sales and distribution. S.F. 796-Samuelson: Establishing certain patient rights and protections.

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

9 a.m. Room 15 Capitol

**Agenda:** To be announced.

#### **The Senate will meet at 12 noon.**

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** S.F. 1063-Stumpf: Governor's E-12 funding bill, Articles 4, 7 and 8 "delete all amendment."

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 1230-Berglin: Excluding 50 percent of child support received by an MFIP family for purposes of determining family income. S.F. 1299-Berglin: Extending the time for emergency assistance. S.F. 1606-Berglin: Deletes \$100 of rental or housing subsidy as income for MFIP. S.F. 1608-Berglin: Amending MFIP provisions. S.F. 1724-Berglin: Providing exemptions from the 60 month time limit. S.F. 1673-Samuelson: Modifying provisions for family and adult self-sufficiency. S.F. 1311-Sams: Modifying provisions for family and adult self-sufficiency DHS technical bill.

#### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 501-Cohen: Establishing the North Star Research Coalition. S.F. 1431-Moe, R.D.: Modifying tobacco settlement and medical education endowment funds.

#### **Finance Committee**

*Chair: Sen. Douglas J. Johnson*

4 p.m. Room 123 Capitol

**Agenda:** Budget Resolution.

#### **Property Tax Budget Division**

*Chair: Sen. Don Samuelson*

4 p.m. Room 107 Capitol

**Agenda:** S.F. 139-Pappas: Increases qualifying rent for renters credit. S.F. 1442-Pappas: Reduces class rates on 1 and 203 rental properties with HACA. S.F. 1692-Pappas: Exempts publicly owned parking facilities. S.F. 1731-Johnson, Debbie: Reduces class rate on CI, PU, and apartments. S.F. 1423-Sams: Reduces class rate on certain CI property with HACA. S.F. 1319-Langseth: Expands Ag homestead treatment. S.F. 1029-Kinkel: Provides for homestead resort special valuation and tax deferment. S.F. 1259-Kinkel: Reduces class rate for specified shore land bordering

public waters. S.F. 1281-Oliver: Creates credit for land donated for conservation purposes. S.F. 1491-Day: Exempting certain property used for education for agriculture. S.F. 1384-Moe, R.D.: Exemption for property for agriculture preservation. S.F. 581-Moe, R.D.: Expands counties natural resources lands PILTS eligibility. S.F. 1048-Moe, R.D.: Exempts Indian reservation housing projects from property tax.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

5 p.m. Room 118 Capitol

**Agenda:** S.F. 379-Higgins: PCA permit info database. S.F. 1186-Higgins: MN Conservation Corps. S.F. 1210-Dille: County biological survey.

#### **Crime Prevention Committee**

*Chair: Sen. Jane Ranum*

6 p.m. Room 318 Capitol

**Agenda:** To be announced.

#### **Judiciary Committee**

*Chair: Sen. John Marty*

6 p.m. Room 316 Capitol

**Agenda:** Carry over bills from previous agenda and re-referrals from other committees. S.F. 617-Knutson: Uniform Parentage Act (2000). S.F. 1944-Knutson: Crime of nonsupport of spouse or child felony charges dismissal. S.F. 1000-Stevens: Local government units eminent domain acquired property sale restriction. S.F. 925-Samuelson: Attorney fee liens regulation provisions modifications. S.F. 1872-Kinkel: Beltrami County transportation commissioner trust fund land condemnation. S.F. 1364-Berglin: Medical support bonus incentives program. S.F. XXXX Pogemiller: District Court administration funding.

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

7 p.m. Room 15 Capitol

**Agenda:** Continuation of 1 p.m. agenda.

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

7 p.m. Room 107 Capitol

**Agenda:** S.F. 1622-Sabo: Department of employee relations housekeeping. S.F. 1825-Kelley, S.P.: Creating the technology enterprise fund and board. S.F. 1688-Cohen: Administration of state employees combined charities campaign. S.F. 1648-Betzold: Appropriation of money from 911 fees to provide assistance for emergency telephone service costs in Metro Area. S.F. 1694-Betzold: Volunteer Firefighter Relief Association; clarifying application of open meeting law. S.F. 1696-Pogemiller: Authorizing Mpls. Police Relief Association to conduct a referendum of its members. S.F. 1438-Scheid: Ratifying certain labor agreements. S.F. 1437-Kelley, Steve: Modifying compensation limit for political subdivision

employees. S.F. 1481-Lessard: Shooting sports program. S.F. 1105-Krentz: Salt distribution stockpiles. S.F. 1894-Stevens: Dept. of Administration provisions. S.F. 1915-Rest: Charitable organization - amending report filing requirements. S.F. 897-Ourada: Lake improvement districts.

## **Thursday, March 29**

#### **Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*

8 a.m. Room 107 Capitol

**Agenda:** S.F. 1275-Tomassoni: Providing for disposal of certain mineral lease money. S.F. 1388-Tomassoni: Authorizing a long-term lease of school trust land. S.F. 758-Samuelson: Modifying fishing contest provisions. S.F. XX-Moe, R.D.: Designation of Consolidated Conservation Lands. S.F. 805-Pariseau: Modifying tag requirements for fur bearers. S.F. 1161-Kinkel: Establishing limits for yellow perch. S.F. 207-Lesewski; S.F. 349-Johnson, Dean; S.F. 558-Stumpf; S.F. 628-Scheevel: Amending the definition of agricultural land for recreational trespassing. S.F. 1298-Krentz: DNR game and fish policy bill.

#### **Transportation Committee**

*Chair: Sen. Randy Kelly*

8 a.m. and following Session Room 112 Capitol

**Agenda:** To be announced.

#### **Judiciary Committee**

*Chair: Sen. John Marty*

8:30 a.m. and following Session Room 15 Capitol

**Agenda:** S.F. 1614-Hottinger: Civil actions for state violation of federal age discrimination in employment or fair labor standards. S.F. 1721-Anderson: Employers genetic testing use prohibition.

#### **Legislative Audit Commission**

9 a.m. Room 316 State Capitol

**Agenda:** Election of LAC officers Remarks by the Legislative Auditor. Report on Program Evaluation Topic Selection.

#### **The Senate will be in session at 9:30 a.m.**

#### **State and Local Government Operations Committee**

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 444-Belanger: Mississippi River Parkway Commission. S.F. 830-Kiscaden: Task Force on Small Business Health Insurance. S.F. 868-Price: Environment and Natural Resources Trust Fund Advisory Committee. S.F. 1032-Sabo: Economic Security Advisory Council. S.F. 1154-Kelley, Steve: Metropolitan Radio Board. S.F. 1206-Kinkel: Indian Affairs Council. S.F. 1309-Stevens: Human services advisory councils and committees. S.F. 1361-Lourey: Creating a Dental Access Advisory

Committee. S.F. 1619-Rest: State building code; establishing a technical advisory group. S.F. 1817-Fowler: Agriculture Advisory Committee and Review Board. S.F. 1263-Robertson: Advisory councils and committees sunset extension. S.F. 1351-Krentz: Environment Solid Waste Council. S.F. 1575-Higgins: Labor Council and board sunset extension. S.F. 1604-Wiener: Revising provisions governing compensation of public employees serving on boards, councils and advisory groups. S.F. 1626-Tomassoni: Revising provisions governing compensation of public employees serving on boards, councils and advisory groups. S.F. 451-Pogemiller: Omnibus pension bill.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*  
4 p.m. Room 118 Capitol

**Agenda:** S.F. 532-Johnson, Dean: Ag innovation center in city of Olivia. S.F. 1005-Vickerman: Lewis & Clark rural water system. S.F. 1735-Lourey: Farm Connect funding. S.F. 1749-Vickerman: Passing on the Farm Center.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*  
4 p.m. Room 123 Capitol

**Agenda:** S.F. 461-Lesewski: Juvenile correction facilities; changing responsibility for assessing and investigating certain allegations of maltreatment. S.F. 318-Pappas: Requires commissioner of health to study regulatory system of birth centers. S.F. 1425-Higgins: PATH program appropriations. S.F. 1185-Higgins: Expand Block RN programs for those living at home. S.F. 1018-Higgins: Increase mileage reimbursement for those on MA. S.F. 918-Sams: Special transportation for those on MA. S.F. 1690-Sams: Health Dept. fee increase; radioactive and source and special nuclear licensing.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*  
4 p.m. Room 107 Capitol

**Agenda:** S.F. 237-Lourey: St. Louis County adolescent compulsive gambling grant. S.F. 306-Johnson, Dean: Project turnabout compulsive gambling. S.F. 362-Samuels: Camp Knutson grant. S.F. 543-Anderson: Family homeless prevention and assistance program. S.F. 760-Higgins: Housing: funding for school stability project. S.F. 867-Robertson: Supportive housing grant to District 287 foundation. S.F. 919-Solon: Transitional housing programs, emergency service grants. S.F. 534-Kelley, S.P.: Neighborhood home improvement loan pilot project. S.F. 1221-Johnson, David: Housing for homeless veterans. S.F. 1340-Johnson, David: Rental housing assistance program.

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*  
7 p.m. Room 15 Capitol

**Agenda:** To be announced.

#### **Friday, March 30**

#### **Education Subcommittee on Early Childhood Education**

*Chair: Sen. Becky Lourey*  
8 a.m. Room 125 Capitol

**Agenda:** To be announced.

#### **Commerce Committee**

*Chair: Sen. Sam Solon*  
9 a.m. Room 112 Capitol

**Agenda:** S.F. 1610 Rest: Regulating liquidations and investments of insurers. S.F. 1271-Higgins: Regulating claims against the recovery portion of the real estate education, research, and recovery fund. S.F. 1070-Berglin: Relating to long-term care.

#### **Saturday, March 31**

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*  
8 a.m. Room 107 Capitol

**Agenda:** S.F. 34-Johnson, Dean: Tuition reimbursement rate raised to 100percent. S.F. 48-Anderson: Neighborhood Development Center, Inc. grant. S.F. 107-Langseth: Public television digital conversion. S.F. 127-Johnson, Douglas: Economic development--Duluth Tech Village. S.F. 227-Vickerman: Regional planning grants. S.F. 243-Solon: Technical assistance support micro-enterprise development. S.F. 288-Kelly, R.: Redevelopment grants. S.F. 322-Kierlin: Reauthorizing canceled bond television transmitter. S.F. 358-Betzold: Osseo volunteer firefighters association. S.F. 374-Kelly, R.C.: 2004 Excursion grants. S.F. 479-Johnson, Dean: Tornado relief. S.F. 481-Anderson: ACT grant-training people with disabilities. S.F. 515-Larson: MN Association Resource Conservation and Development grant. S.F. 528-Lourey: Carlton County homicide trials expenses. S.F. 539-Anderson: Minnesota Project Innovation, Inc. grant. S.F. 555-Betzold: State agencies rule making procedures modification. S.F. 632-Moe, R.D.: Reimburse bond interest expense for Ada. S.F. 652-Johnson, Davod: Richfield redevelopment grants. S.F. 654-Belanger: Mississippi River Parkway Commission. S.F. 661-Pappas: Ethanol plant odor control. S.F. 663-Johnson, David: 911 fee increase to forty cents. S.F. 667-Kelly, R.C: Revitalization grants aging commercial corridors.

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# Senate Briefly

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*Framed by ornate architectural detail, bright sunlight infiltrates the second floor of the Capitol rotunda.*

*Photo by David J. Oakes*



March 30, 2001

# Senate Highlights

## Racial profiling bill debated

A bill to address racial profiling came before the Judiciary Committee Weds., Mar. 28, bringing with it a renewed debate over the issue of mandatory data collection.

S.F. 386, authored by Sen. Jane Ranum (DFL-Mpls.), is a comprehensive bill addressing racial profiling. The bill requires the Police Officer Standards and Training Board to provide a model policy and training guidelines to address the issue. Law enforcement units at all levels in the state are required to adopt their own policies based on the model. The bill further specifies that officers provide information that facilitates the filing of complaints to anyone involved in a traffic stop. The bill makes appropriations for data collection and for video cameras to be used in law enforcement vehicles.

The aspect of the bill that generated discussion at the meeting relates to the gathering of data on racial profiling. Under the bill, the commissioner of public safety is required to oversee a system for the collection of data on racial profiling but the option to participate is left to local law enforcement units. The specific information to be collected is outlined in the bill, as are provisions for reporting,

compilation and analysis by an independent expert.

Ranum said the bill received extensive discussion and modification in the Crime Prevention Committee. She said that, based on task force recommendations, the bill originally called for a mandatory collection of data statewide, but the provision was changed in the other committee to optional participation for local law enforcement agencies. She said data collection needs to be mandatory and summarized responses to questions raised by those who said it should be optional.

In addition, Jason Brown of the National Association for the Advancement of Colored People (NAACP) and Ronald Edwards representing African-American police officers both said real solutions to the problem of racial profiling are betrayed by allowing law enforcement to opt out of being monitored. Sen. Myron Orfield (DFL-Mpls.) agreed that the bill is not meaningful without mandatory collection of data and offered an amendment reinstating mandatory data collection. Several people gave testimony describing incidents of racial profiling. Sean Solomon, an African-American resident of Hennepin County, said he has been pulled over in a variety of jurisdictions more than 30 times in the last year

without a single citation having been issued.

Sen. Sheila Kiscaden (R-Rochester) said the time and resources devoted to data collection could be spent on training and other efforts that actually help the problem more. Sen. Warren Limmer (R-Maple Grove) agreed, saying that no one disputes that racial profiling is a serious problem. He said housing discrimination was addressed a decade ago without mandated studies. Orfield said gathering and monitoring of information has been part of all the progress ever made on civil rights issues. He said the committee should heed the support that the affected communities of color have given to mandatory data collection.

Representatives of peace officers and chiefs of police spoke in opposition to the Orfield amendment on the same grounds as Kiscaden and Limmer, adding that they did not think it fair that the issue is being raised again after having been settled in the Crime Prevention Committee. Sen. Thomas Neuville (R-Northfield) said the bill, without the Orfield amendment, reflects the compromise arrived at by the other committee. Dennis Flaherty of the Minnesota Police and Peace Officers Association said, "When we came to the Legislature, we were prepared to address the problem, not study it." Sen. Richard Cohen (DFL-St. Paul) asked if law enforcement officers object in general to collection of data on the problem. Flaherty said no.

Kiscaden offered a compromise amendment that makes data collection mandatory only in cities of the first class and in municipalities contiguous to cities of the first class. On the amendment, Brown said the NAACP is not in favor of limiting the scope of the mandatory collection because "areas where there are the least of us are often the areas where the problem is the most serious." Orfield said if the NAACP is not satisfied, he is not satisfied. The Kiscaden amendment was defeated. The Orfield amendment was adopted on a 5-4 vote. The committee approved the bill as amended and referred it to the Finance Committee.

## Budget resolution approved

The Finance Committee met briefly Weds., Mar. 28, to consider the budget resolution that Senate Rules require the committee to pass by Thurs., Mar. 29.

The resolution, already approved by the Tax Committee, sets a maximum limit

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on general fund revenues and general fund appropriations at about \$26.5 billion for FY 02-03. The resolution also calls for a budget reserve of \$622 million and a cash flow account of \$350 million.

Sen. Douglas Johnson (DFL-Tower), chair of the committee, said the resolution reflects matching tax cuts and spending increases of \$609 million each. He said the intent is to focus the tax cuts on property tax relief while the changes in spending will be directed towards education, health care, transportation, housing and natural resources. He also said the majority party is recommending that half the projected \$856 million surplus for the current biennium be devoted to a rebate with the other half going toward one-time spending for highways and transit.

The committee voted to approve the resolution and to recommend that Johnson introduce it on the floor of the full Senate. Budget targets for individual finance divisions, Johnson said, will be established before April 11.

### Consent Calendar bills pass

Legislative activity increased dramatically in anticipation of the first committee deadline Fri., Mar. 30. The Senate met in floor session three times, primarily to facilitate the re-referral of bills between committees.

The full Senate met briefly Mon., Mar. 26, to process bill introductions and committee reports. Members also granted final passage to a number of bills on the Consent Calendar.

H.F. 320, carried in the Senate by Sen. Sam Solon (DFL-Duluth), lets property-casualty insurers offer "surplus lines" insurance without an additional license. Sen. James Metzen (DFL-South St. Paul) presented H.F. 264, a bill that extends a legislative task force on energy. H.F. 556, carried by Sen. Randy Kelly (DFL-St. Paul), grants federal law enforcement officers arrest authority in Minnesota in the same circumstances that apply to peace officers from adjoining states.

Two additional bills authored by Kelly gained final passage. S.F. 971 and S.F. 972 repeal outdated laws prohibiting, respectively, itinerant carnivals and endurance contests. Sen. Grace Schwab (R-Albert Lea) presented S.F. 930, a bill that repeals obsolete transportation rules. Sen. Martha Robertson (R-Minnetonka) gained passage for a bill related to transportation and public safety. She presented

S.F. 910, which expands the statutory definition of "residential roadway" to allow local authorities to extend areas covered by lower speed limits.

Two bills on the Consent Calendar were authored by Sen. Jane Ranum (DFL-Mpls.). S.F. 1428 clarifies provisions relating to consecutive impaired driving convictions. S.F. 1413 requires the Department of Corrections to contract with the Department of Human Services for background studies on certain individuals. Another bill pertains to chemical dependency treatment offered by the two departments. Authored by Sen. Sheila Kiscaden (R-Rochester), S.F. 1157 allows, under certain circumstances, the two departments to develop alternative equivalent standards for treatment.

Other bills gaining final passage were S.F. 1047, authored by Sen. David Knutson (R-Burnsville), S.F. 1031 by Sen. Charles Wiger (DFL-North St. Paul), and Sen. John Hottinger's (DFL-Mankato) S.F. 883. The Knutson bill modifies existing background studies required for apartment managers, extending the period of time covered by the checks to ten years. S.F. 1031 changes educational assistance provisions for veterans. Hottinger's bill allows a rule waiver for hospitals so that a window onto an atrium may count as an "outdoor" window.

Members also met for 2 15-minute sessions Weds., Mar. 28, and Thurs., Mar. 29, to process committee reports and move bills between committees.

### Stadium proposal moves forward

The State and Local Government Operations Committee considered a stadium proposal at a meeting Thurs., Mar. 29. The proposal, S.F. 1857, was first presented by the bill's proponents at an evening meeting one week earlier. Sen. Dean Johnson (DFL-Willmar), chief author, briefly reviewed features of the bill and presented supporting documents to clarify points raised at the bill's first hearing.

Martha Easton, a member of the board of Progressive Minnesota, said, "it is bad policy for the state of Minnesota to bail out billionaire business owners who do not feel they're making enough from their sports teams." She added that there are many other problems that could be addressed with an interest-free loan of \$100 million. Johnson said the Legislature as a whole maintains priorities of funding other important areas.

Easton said her organization is not opposed to a new stadium, just public funding for it. Sen. Lawrence Pogemiller (DFL-Minneapolis) said the money is only approved, under the bill, based on the ability of the Twins to pay it back. Dan McGrath from Progressive Minnesota said the interest free nature of the loan still amounts to a giveaway of public money.

Johnson said income tax revenue from the Twins and visiting baseball players salaries will amount to \$106 million dollars over the life of the loan. Johnson further clarified that the bill specifies that the local government becomes the owner of the stadium and that the Twins' owner must pay back the loan. Pogemiller made a distinction, saying that the money to pay back the loan is actually generated by concessions, parking, and other economic activity, some of which would take place with or without the new stadium. McGrath said the bottom line is that the Twins have privately funded options for a stadium and the state has other priorities.

Tom Goldstein, publisher of a literary baseball magazine, said the referendum in 1997 to limit public spending on a stadium to \$10 million, as well as defeated levy proposals in St. Paul, speak on behalf of the residents of Minnesota. Goldstein added that, if Major League Baseball enacts real reform in revenue sharing, the Twins organization will be able to afford a new park on its own. Finally, Goldstein said the bill ignores a citizens' task force that recommended private loan financing for a new stadium.

Sen. Jim Vickerman (DFL-Tracy), chair of the committee, proposed an amendment that allows the unit of local government that is home to the stadium to sell naming rights. The amendment specifies that the money from naming rights must pay operating costs of the stadium, with surpluses earmarked for future maintenance.

Pogemiller said he prefers the option of a privately financed loan for a new stadium. He suggested the bill be approved and forwarded to the Tax Committee. He said, as chair of the Tax Committee, that the bill will not be heard there until all other priorities for the session are addressed. Minority Leader Dick Day (R-Owatonna) said the bill needs some work for his caucus to get behind it, but he supports the bill being moved forward for further consideration.

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

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Milk price control advanced

The Agriculture, General Legislation and Veterans Affairs Committee, chaired by Sen. Steve Murphy (DFL-Red Wing), approved several bills Fri., Mar. 23. The most controversial was S.F. 854, the Minnesota Dairy Supply Management Act, which establishes a milk price control board. Sen. Becky Lourey (DFL-Kerrick) carried the bill.

Karl Hanson, a dairy farmer from Perham, gave a presentation on behalf of the Milk Power organization. He said that milk prices paid to producers have dropped sharply in the last decades despite inflation. "The farmer is paid rock bottom prices and consumer costs for dairy products are ever rising," he said.

Under the bill, a milk control board is appointed by the governor to license and

inspect raw milk and set minimum producer prices for each class of milk. The board also has the option of creating a quota plan if supported by a majority of producers. Members adopted an amendment deleting sections of the bill that may violate interstate commerce law.

Sen. Kenric Scheevel (R-Preston) asked if milk producers might be helped more by focusing on improvement of management techniques. "Price alone does not determine profitability," he said. Bruce Kleven, speaking for the Dairy Leaders Roundtable, also said he supports production aids more than a price control board.

Hanson contended that the weak link in the dairy industry is cooperatives and marketing. Increases in farm production have not kept pace with the drop in milk prices, he added. Murphy said the concept of a milk board deserves discussion throughout the Legislature. Members sent the bill to the State and Local Government Operations Committee with a recommendation to pass.

Lourey also presented S.F. 1358, a technical bill that adopts certain federal regulations as Dept. of Agriculture rules. Carol Milligan of the Department of Agriculture said the bill merely moves current practice into Minnesota statutes. The bill was approved and sent to the floor.

Murphy authored the other four bills on the agenda. S.F. 1248 helps dairy producers improve production efficiency by providing additional funding for the dairy diagnostics program. Sen. Steve Dille (R-Dassel) offered an amendment raising the total appropriation to \$4.7 million over the biennium, bringing the amount into line with what dairy producers have requested. The amendment was adopted. Members also deleted a provision that says grants to producers cannot be used for capital improvements or for starting a new dairy enterprise. The bill was sent to the Finance Committee with a recommendation to pass.



Students from Stillwater Junior High gathered in the east gallery of the Senate Chamber Thurs., Mar. 29, to observe a Senate floor session and learn about state government from one of the Capitol tour guides.

Photo by David J. Oakes

S.F. 1495 eliminates the late fee for renewal of a license to use the Minnesota grown logo. Paul Huganin of the Department of Agriculture said the \$10 late fee is counterproductive, as it discourages producers from taking part in the program. The bill also changes a requirement regarding the Minnesota grown matching account, which must be comprised of at least one quarter private contributions. Under the bill, revenue from advertising in the Minnesota Grown publication counts as a private contribution. The bill was approved and sent to the floor.

S.F. 1497 makes several changes regarding the Rural Finance Authority, which partners with farmers to secure low interest loans. The bill removes the requirement that a borrower have a greater than 50 percent debt to asset ratio, allows loans to refinance an existing debt, and allows the loans to be used to purchase stock in an operating agricultural cooperative. The bill was sent to the floor with a recommendation to pass.

S.F. 1499 makes a minor adjustment in financing of the meat inspection program in response to a change at the federal level. The bill allows the Department of Agriculture to cover more than 50 percent of the cost of the program.

## Veterans, history bills advanced

The Agriculture, General Legislation and Veterans Affairs Committee heard 11 bills Weds., Mar. 28, including several bills pertaining to veterans affairs and Minnesota history. Committee Chair Steve Murphy (DFL-Red Wing) presided.

S.F. 1269, authored by Sen. Don Samuelson (DFL-Brainerd), allows a plaque to be placed in the Capitol to honor soldiers of the 194th Light Tank Battalion who were forced to take part in the April 1942 Bataan Death March in the Philippines. Samuelson said his father was one of those who failed to return from Japanese imprisonment. Kenneth Porwoll, one of several Brainerd citizens involved in the death march, spoke about the brutal conditions soldiers endured. Members adopted an amendment putting the bill in the form desired by the capitol architect. The bill was approved and sent to the floor.

Samuelson also carried S.F. 1774, which relates to depository accounts in veterans homes. The bill makes technical changes to bring the law into agreement with accepted practice, he said. It provides

that accounts of \$100 or more must be credited with interest on a quarterly basis. The bill was advanced to the floor.

Sen. Steve Dille (R-Dassel) carried S.F. 1282, a bill urging the Minnesota Historical Society to keep the Confederate battle flag that was captured during the battle of Gettysburg, July 3, 1863. The flag was captured by Private Marshall Sherman of the First Minnesota Infantry, Dille said. He said the Virginia Legislature recently passed a resolution requesting the return of the flag. Ian Stewart of the Minnesota Historical Society said the society supports the bill, saying the flag is an important part of Minnesota history. "It is a record of the courage and sacrifice of Minnesotans as well as Virginians," he said. The bill was approved and sent to the floor.

Members spent considerable time debating S.F. 2084, authored by Murphy, which provides loans to develop a new corn processing method. A method to separate a kernel into its oil, protein, sugar and starch components has been successful in labs, Murphy said, and Minnesota has the chance to be the first state to commercialize the process. The bill provides \$7 million for loans to a facility that installs equipment for the new process. Gerald Tunnleson, Minnesota Corn Growers, said the process converts a corn kernel into raw materials suitable for many uses.

Sen. Charles Berg (R-Chokio) said that corn farmers seem to receive a disproportionately large share of the agriculture budget. Murphy said the measure could make Minnesota more economically independent. The bill was approved and sent to the Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) carried S.F. 1644, which urges Congress to supply emergency assistance to the victims of the Jan. 26, 2001, earthquake in the Indian state of Gujarat. New Brighton citizen Ram Krisnam gave a presentation depicting the devastation wrought by the quake, which measured 7.9 on the Richter scale. The bill was approved and sent to the floor.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 1104, a bill clarifying provisions related to the Minnesota National Guard. The bill specifies qualifications for the Adjutant General and provides for the return of property donated for armory site purposes, if the site is unused. The bill was advanced to the floor.

S.F. 1506, carried by Sen. Cal Larson (R-Fergus Falls), authorizes the board of directors of the Minnesota Veterans Homes to administer donations to the homes. Donations were formerly overseen by the commissioner of veterans affairs, Larson said. The bill was approved and sent to the floor.

Murphy carried S.F. 1034, which authorizes special motorcycle license plates for combat wounded veterans awarded the Purple Heart. Only 20 citizens are likely to apply for the plate, he said. The bill was re-referred to the Transportation Committee with a recommendation to pass.

S.F. 1867, carried by Sen. Leonard Price (DFL-Woodbury), regulates pesticide application on golf courses. The bill requires pesticide to be applied by a certified applicator. Golf course associations support the bill, Price said. The bill was approved and sent to the floor.

Sen. Dallas Sams (DFL-Staples) carried S.F. 511, which allows the state agricultural society to establish a nonprofit corporation for charitable purposes. Steve Pooch, assistant manager of the state fair, said building repairs are needed that cannot be financed by fair revenues alone. The bill was advanced to the floor.

Sams also authored S.F. 1677, a bill providing a standing appropriation of \$533,000 a year to support county fair exhibits by agricultural societies. The bill also provides that the appropriation increase each year to match inflation. Warren Sifferath, vice president of the Minnesota Federation of County Fairs, said administrative costs for fairs have risen as a result of new safety mandates. The bill was recommended to pass and re-referred to the Finance Committee.

## Capital Investment

### Gillette Hospital bill okayed

The Capital Investment Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), met briefly Tues., Mar. 27, to take action on one bill. The measure, H.F. 1159, sponsored by Sen. Don Samuelson (DFL-Brainerd), changes the type of funding for renovations at Gillette Children's Hospital. Samuelson said the bill does not change any dollar amounts, but simply changes the process for providing the funds. Langseth summarized the bill by saying that in last year's bonding bill funds for the Gillette Hospital projects

# Committee update

were allocated from bond proceeds and the bill alters the process so that the allocation comes from the general fund. In addition, a local bridge project had been funded from the general fund, but with passage of the bill, the allocation will come from bonding, Langseth said. The measure was approved and sent to the Senate floor.

## Commerce

### Meter tampering bill heard

Members of the Commerce Committee met briefly Fri., Mar. 23, to hear four bills, one relating to farm equipment clock-hour meters.

According to Rodney Skalbeck, a farmer from Sacred Heart, several farmers and dealers he knows have been the victims of previous owners or dealers who tamper with clock-hour meters on farm implements. He added that rolling back the hours indicated on the meter is considered a common practice among some farmers and dealers. Sen. Becky Lourey (DFL-Kerrick) authored S.F. 1004 to combat the tampering practice.

Sen. Edward Oliver (R-Deephaven) asked if the model year and operating hours shown can seem unrealistic to someone buying a used tractor. Skalbeck said that the numbers he has seen would match if the tractor was used only in Minnesota. However, he said, some pieces of equipment are taken across the country to be used in a wider range of agricultural seasons and thus accrue more operating hours.

Rich Strom, Farm Equipment Dealers Association, raised several concerns with the bill. Some self-policing already exists at the dealer level, he said, and the association is willing to engage in more self-policing with farm organizations and manufacturers. Strom also noted that almost all new and late-model farm equipment has electronic, tamper-proof meters. "We're not denying there's a problem," he said, but S.F. 1004 is not the solution.

The bill was re-referred to the Crime Prevention Committee without recommendation.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 754, the omnibus mental health bill. The only section of the bill under the committee's purview was an article that concerns health plan coverage for mental health. The bill prohibits

health plans from excluding or reducing coverage for suicide or suicide-attempt related health care. It also requires a health plan to provide prescription drug coverage for drugs that are not part of the plan's formulary, if the prescribing physician certifies that the drug will best treat the mental illness. The measure also requires health plans to provide court-ordered mental health services.

Oliver asked if the bill duplicates the effects of previously enacted legislation that set a parity between mental and physical health care coverage. Bill Connelly, Minnesota Medical Association, said S.F. 754 goes beyond parity. According to Connelly, the bill addresses concerns unique to mental health. For instance, he said, it is very rare for a court to order physical treatment but mental health care is a common court order.

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

S.F. 1226 reiterates the state's position that managed care health coverage has no place in the state's no-fault auto insurance provisions, said Sen. Dallas Sams (DFL-Staples). Sams, chief author of the bill, said injured Minnesotans should not be subjected to paying for the same health care coverage through two courses—their health insurance and their auto insurance. The bill was approved and referred to the floor for final passage.

The Accountancy Act of 2001, authored by Sen. John Hottinger (DFL-Mankato), enhances interstate reciprocity with CPA licensing, permits a minority interest in an accounting firm by non-accountants, enhances several public protection provisions and ensures that anyone using the CPA title adhere to clarified standards. The bill was re-referred to the Judiciary Committee with a recommendation to pass.

### Patient protection heard

The Commerce Committee met Weds., Mar. 28, to hear three bills. Among them was S.F. 796, a patient protection bill authored by Sen. Don Samuelson (DFL-Brainerd).

The bill, according to Assistant Attorney General Katie Nemmers, restores the balance between providers, payers and consumers in the health care system. It prohibits a health carrier that has preauthorized a treatment from retroactively denying payment for the treatment. The measure also prohibits retaliation

against a provider for referring patients, providing testimony or records to enrollees or public agencies, or making a complaint against the health plan company. The legislation requires health plan companies to inform care providers and enrollees of the right to a second opinion if care is denied. S.F. 796 also requires that enrollees be given written copies of the procedures and criteria used to deny care after utilization review. In addition, the bill modifies regulations concerning determinations of medical necessity and redefines the term "medically necessary care." The measure also provides for longer continuity of care and modifies usage of drug formularies.

Michael Scandrett, Minnesota Council of Health Plans, raised several concerns about the bill. He said his organization and other health plan representatives have been engaged for years in discussions with consumer organizations and others to craft clear and acceptable legislation regarding many of the issues covered in Samuelson's bill. The agreements they have reached, Scandrett said, are included in many other pieces of legislation. Committee members questioned Samuelson, Nemmers and Scandrett about several details in the bill and suggested Samuelson consult with other Senators offering similar patient protection legislation.

The bill was re-referred to the Finance Committee without recommendation.

Members of the committee also discussed S.F. 1752, the omnibus liquor bill. The bill, offered by Committee Chair Sam Solon (DFL-Duluth), incorporates several measures authorizing liquor licenses for various municipalities across the state. Under the bill, the cities of Minneapolis and St. Paul are authorized to issue licenses to the Loring Playhouse, Brave New Institute, Great American History Theater and Brave New Workshop. The cities of Blaine, Elk River and Moorhead are granted 6 additional licenses and the city of St. Louis Park is granted 12 additional licenses.

The proposal also includes a provision to allow the use of machines to premix and dispense intoxicating liquor. Annette Henkel, Minnesota Retailers Association, said the machines are similar to machines that dispense non-alcoholic frozen drinks. However, she said, many establishments use the machines to mix large batches of frozen alcoholic drinks.

Forty-nine others states, Henkel said, have laws specifically allowing the machines.

Representing the Dept. of Public Safety, Frank Ball said Minnesota has a highly regulated liquor industry. One of the foremost regulations, Ball said, is one requiring that customers must be able to see the label on the alcohol container as their drink is being poured. No other procedure is in place, he said, that allows liquor to be dispensed without clearly showing the customer what is being served. Ball also raised the possibility of container contamination. Sen. Bob Kierlin (R-Winona) said most drinkers ordering a frozen drink, unlike those ordering mixed drinks, are not concerned about the brand of alcohol they are served.

The bill was approved and sent to the floor.

Committee members also approved S.F. 1666, carried by Sen. Steve Murphy (DFL-Red Wing). The bill permits motor vehicle dealers to sell horse trailers and recreational vehicles at temporary places of business outside the counties in which the dealers are licensed. The bill was sent to the floor.

## Crime Prevention

### Fish and game bill approved

Sen. Leo Foley (DFL-Coon Rapids) presided over the Fri., Mar. 23, Crime Prevention Committee meeting. The first bill on the agenda was S.F. 222, authored by Sen. Jane Krentz (DFL-May Township). The measure establishes degrees of gross overlimit violations of fish and game laws and establishes criminal and civil penalties for overlimit violations. Other provisions address administrative reviews, related hearings and licensure issues.

Krentz said the bill addresses the unfair misuse of resources. She said, "We're not talking about people taking a few extra fish, we're talking about gross overlimits."

Dept. of Natural Resources (DNR) spokesperson Michelle Beeman said her agency determines the degree of violation based on the restitution value of fish and animals taken over the legal limit. She said civil penalties detailed in the bill provide that an enforcement officer must seize the license of a person for gross overlimit violations. For a first or second degree violation, the person's fish and game licenses are seized. Also, additional authority is provided enforcement officials

to allow motor vehicle seizure on a first or second degree violation. A provision also specifies restitution values. Examples of restitution values include: \$400 each for wild turkey; \$50 each for pheasant; \$500 each for deer; \$1,000 each for moose; \$20 each for fox and gray squirrel; \$30 each for walleye; and \$500 each for lake sturgeon. Krentz said the restitution values were established by the DNR over time, based on replacement costs, including the cost of raising and recreational worth. The measure was approved and re-referred to the Judiciary Committee.

Krentz also authored a separate but related bill, S.F. 1350, concerning tribal conservation enforcement authority. The measure provides that under specified conditions, an Indian conservation enforcement authority may exercise concurrent conservation officer authority with the DNR to enforce the state's fish and game, natural resources and recreational laws within the geographical boundaries of the reservation.

An amendment was adopted to allow the Indian conservation enforcement authority to appoint a licensed peace officer to serve as chief law enforcement officer. The amendment defines the conservation enforcement authority as a governmental unit and allows the chief enforcement officer to appoint and supervise the authority's conservation officers. The bill was approved and re-referred to the Finance Committee.

Sen. Richard Cohen (DFL-St. Paul) authored S.F. 1584, a measure to provide compensation to clergy in any church or denomination for imparting religious rites or instruction at correctional facilities. Cohen said the Dept. of Corrections (DOC) has changed its policy concerning clergy who are available to inmates. In the past, he said, clergy residing in close proximity to facilities provided services, but for those in the Jewish faith there are rarely rabbis in close proximity to correctional facilities. He said the bill is intended as a means of compensation for travel expenses.

DOC Commissioner Cheryl Ramstad Hvass said the department has had to economize and uses spiritual coordinators to organize volunteer clergy. She said that inmates at the Stillwater facility represent 20 different faiths. Hvass said, "I think this is a can of worms. I speak as a lawyer and former judge and anyone who knows me knows that I make every effort at fairness."

Cohen said he would not be before the committee if the department had been responsive in providing clergy for the Jewish inmates. The bill was laid over.

Sen. Randy Kelly (DFL-St. Paul) authored S.F. 1727, a bill requiring the Center for Crime Victim Services to oversee the design and implementation of an automated victim notification system. Kelly said the system would allow victims to dial in from home to receive the status of an inmate. An amendment was adopted to require that the commissioner of public safety and the state court administrator develop a funding plan to cover operating costs of the system. The amendment specifies appropriations and requires that the agencies involved report to the Legislature with a development and funding plan. The bill was approved and referred to the Finance Committee.

Kelly also authored S.F. 844, a measure to establish a mental health court pilot program for criminal offenders in the Second Judicial District. The pilot program provides screening for the mental health status of criminal offenders and assesses enforced compliance with court ordered mediation. Kelly said, "I'm more alarmed in recent years to learn that those with serious mental illness go through the courts, return to the streets, then go off medications only to do more harm to others."

The pilot program established under the bill authorizes the release of medical data to correctional authorities for mental health treatment purposes. Ramsey County Judge Lawrence Cohen said he feels the courts are a primary system for dealing with the mentally ill. "We have the right to require that those on probation take their medications," he said. The bill was approved and re-referred to the Judiciary Committee.

Sen. Sheila Kiscaden (R-Rochester) authored S.F. 1396. The bill authorizes the commissioner of corrections to maintain the results of court ordered immunodeficiency virus (HIV) tests in inmate medical records. Under the bill, the records remain classified as private data, with the results available only to the crime victim requesting the test and the DOC. Kiscaden said the bill ensures that health service staff has access to medical data. The measure was approved and re-referred to the Judiciary Committee.

S.F. 1937 was carried by Sen. Satveer Chaudhary (DFL-Fridley). The measure,

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which Chaudhary described as “a house-keeping bill,” makes various changes to DOC provisions in current law. One provision changes the community notification law related to when an offender may request a reassessment of the offender’s risk level. An amendment was adopted to establish reporting consistency in criminal justice funding reports and to conform transfer of inmates policy with current practice. Another provision gives the commissioner the authority to use independent forensic pathologists for death inquests. The bill was approved for inclusion in the DOC bill.

A bill carried by Sen. Thomas Neuville (R-Northfield) was also approved for inclusion in the DOC omnibus bill. S.F. 1467 establishes a health care review committee within the corrections system to evaluate and improve health care provided by correctional facilities or contract providers. Under the bill, the review committee is required to oversee information relating to the care and treatment of offenders, including employee performance reviews, quality assurance data and other related health care information. An amendment was adopted to change the make-up of the review committee.

Neuville also carried S.F. 1770, a measure to eliminate conflicting language regarding the salary cap of the state public defender. The bill authorizes the Board of Public Defense to set the salary at a level not to exceed that of a district court judge. The bill was approved and referred to the Finance Committee.

Sen. Don Betzold (DFL-Fridley) authored S.F. 1008, a measure to allow licensees of the racing commission to detain persons suspected of cheating. The bill allows arrests by peace officers without a warrant if reasonable cause exists and establishes immunity for licensees and peace officers. Betzold said that, under the bill, suspects cannot be interrogated and cannot be detained for longer than one hour. The measure was approved and referred to the Judiciary Committee.

## Manslaughter law revisited

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.) met Weds., Mar. 28, to consider nine bills.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented S.F. 1118, a bill amending the first degree manslaughter statute by

redefining the crime of first degree manslaughter to prohibit conviction of the offense in cases where the provocation was caused only by words.

Pogemiller said the measure was created in response to a St. Paul crime. Larry Bey, a St. Paul resident, told the panel that his pregnant daughter and 2-year-old grandson were fatally stabbed by his daughter’s former boyfriend, father of the 2-year-old. Prosecutors sought first degree murder convictions for all three deaths. The defense argued that their client acted in the heat of passion provoked by the words of the adult victim. Current law provides that a person who intentionally causes the death of another is guilty of first degree murder. However, a person may be convicted of the lesser crime of first degree manslaughter if proven that the person acted in the heat of passion provoked by the words or acts of another. In this instance, the defendant told the Court that the victim told him that she had AIDS. He said he acted out of blind rage and didn’t intentionally commit the murders. The jury found the defendant guilty of first degree manslaughter for the death of his former girlfriend and first degree murder for the death of his son. Bey told members that it was unconscionable that his daughter’s death could be ruled anything less than first degree murder.

S.F. 1118 narrows the circumstances under which an offender is eligible for the lesser crime by eliminating words as the sole provocation. Senate counsel reviewed the different levels of crimes of murder. Sen. Thomas Neuville (R-Northfield) said he thought the case under discussion was an unusual outcome given the circumstances, however, he warned against deleting language in statutes because some words probably can enrage a person to the extent of provoking violence.

Sen. Grace Schwab (R-Albert Lea) said she cannot agree that any words, rather than actions, could be provocative enough to justify the murder of another person.

A representative from the County Attorneys Association said his organization reviewed the bill but took no position on it. The bill was laid over for further consideration.

Ranum presented S.F. 1145, a bill establishing provisions concerning maltreatment of a child in a facility. Under the bill, the commissioner of human services is required to establish a maltreatment review panel. A provision specifies

compliance procedures for reporting cases of suspected maltreatment in all DHS licensed facilities, excepting child foster care and family child care. The measure also provides access to a child’s medical records for local welfare agencies. A provision authorizes criminal charges against facility employees who are found guilty of maltreatment infractions, defines punishment levels, and makes provisions for appeal rights. The bill was approved and re-referred to the Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) authored S.F. 1202, a bill that repeals a subdivision of the predatory offender registration law passed in 2000. Kelly said the reason for the repeal involves the potential for judicial misinterpretation. He said language in the original provision came into question in a Hennepin County case that was brought to his attention. The potential problem is that there are some offenders who are required to register under the law who have not done so and who are no longer under any form of incarceration or supervision, he said. Kelly said the provision potentially excludes those offenders from coverage under the law, which was not the Legislature’s intent. The bill makes the repeal effective retroactively to the provision’s original effective date. The bill was approved and referred to the floor.

Sen. John Marty (DFL-Roseville) authored S.F. 1324, a bill that clarifies the Board of Private Detective Weapons training requirements for licensed detectives and protective agents trained in the use of weapons other than firearms. Marty offered an amendment that separates into two categories those who are armed with a firearm and those who are armed with a weapon and specifies training rules relating to each category. The bill was laid on the table.

Sen. David Knutson (R-Burnsville) presented S.F. 1711. The measure prohibits making counterfeit drivers’ licenses and identification cards or having instruments and materials for counterfeiting drivers’ licenses and identification cards. A provision imposes criminal penalties.

Knutson said that last year the Legislature increased penalties related to the bill. He said, “We have tried to have an impact on youth who use falsified identification to purchase alcohol and tobacco, and now we need to address restrictions and penalties for those who are stealing credit cards and producing the fictitious identities.”



Restaurant owner Dan Hall told the panel that fake identifications have become a significant problem for business owners. He said he thought the bill provides a deterrent effect more than an enforcement effect by making a strong statement concerning the severity of punishment.

Amendments were adopted to expand definitions of what possessions constitute contraband counterfeiting materials, to amend penalties and to clarify language related to manufacturing and selling fraudulent identification. The bill was approved and re-referred to the Finance Committee.

Sen. David Johnson (DFL-Bloomington) carried S.F. 1570, a bill that creates a state fire marshal dedicated account in the general fund. The bill also transfers additional responsibilities to the state fire marshal and authorizes support of fire administration support teams and critical incident stress response. The bill was approved and re-referred to the Finance Committee.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1297, a measure requiring health professionals to report all gunshot wounds they treat to both law enforcement and the commissioner of health. Foley said that according to current law, health professionals are only required to submit an oral report, supplemented by a letter, to the chief local law enforcement officer. A provision specifies procedures in reporting to the commissioner. The bill was approved and advanced to the floor.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 1369, a bill that transfers the rulemaking authority for administering the battered women's shelter per diem program from the Department of Human Services (DHS) to the Department of Public Safety (DPS). Berglin said that the rulemaking authority was not transferred at the time that the Center for Crime Victim Services was transferred from DHS to DPS. The bill was approved and recommended for the Consent Calendar.

Foley also authored S.F. 1893. The measure deletes and repeals obsolete provisions relating to reports, food products and parole agent residence requirements related to correctional facilities.

Sen. Warren Limmer (R-Maple Grove) offered an amendment that was adopted to delete a provision requiring that the commissioner report to the

Legislature on executive efforts to recruit a workforce for the Rush City Prison that is racially proportionate to the inmate population. Limmer said the provision conflicts with current law and poses legal issues. The bill was approved and amended into S.F. 1937, the major DOC bill.

## Education

### Panel okays education boards

The Education Committee met Thurs., Mar. 22, to hear two bills on education boards and to make revisions to the education policy bill.

Sen. Sandra Pappas (DFL-St. Paul), committee chair, authored S.F. 1169, a bill establishing a charter school board. Pappas said establishing a charter school board promotes and strengthens the schools and is the next step in charter school development.

Sen. Martha Robertson (R-Minnetonka) said the Legislature eliminated the state board of education and that she doesn't know why another board with audit and oversight function should be established. Sen. Kenric Scheevel (R-Preston) said, "Why a board for charter schools but a department for public schools?" Pappas said, "There are boards where needed, such as the Faribault School for the Blind and Deaf, and the Perpich Center." Further, she said the charter school board needs to be innovative and demand a higher level of accountability and achievement. S.F. 1165 was approved and re-referred to the State and Local Government Operations Committee.

S.F. 943 was presented by Sen. Jane Ranum (DFL-Mpls.). The bill establishes an education administration board. Testimony was given by Dale Swanson, Minnesota Elementary Schools Principals Association, and Ted Blaesing, White Bear Lake School District superintendent. Swanson said, "The bill allows peers to play a role in what standards should be for charter schools." Blaesing said, "A board is interested in success and holds a higher standard if judged by peers." S.F. 943 was also approved and re-referred to the State and Local Government Operations Committee.

Pappas also presented S.F. 866, the departmental education policy bill. Members sifted through the lengthy bill and made several amendments. In an effort

to make the bill consistent with new desegregation and integration rules, obsolete phrases and updated language was crafted. The sunset date for the State Multicultural Education Advisory Committee was extended to June 30, 2005. Remaining articles were laid over for further discussion.

### Panel hears reading bills

The Education Reading Strategies Workgroup, comprised of education professionals, parents and Education Committee members, met Fri., Mar. 23, to discuss reading bills. The workgroup finalized a reading readiness bill for presentation to the Education Committee. In addition, a Mighty Ducks book grants bill was presented.

Reading bills were considered for integration into a comprehensive reading bill. Bill authors include Sen. Sheila Kiscaden (R-Rochester), Sen. Jane Ranum (DFL-Mpls.), and Sen. Charles Wiger (DFL-North St. Paul), workgroup chair.

Wiger said the workgroup's goal is to draft a bill that assures literacy for all students. Key elements of the reading bill include identification, intervention, staff development, licensure and rules.

The proposal requires local school districts to identify students by the end of grade one who are at risk of not learning to read by the end of grade two. The measure also requires school districts to adopt a reading skills assessment for screening students no later than the end of grade two. Districts must also prescribe intervention methods or programs for students identified as needing reading intervention.

Intervention methods are required to encourage parental involvement and collaboration with appropriate school programs. Original wording in the proposal required parental involvement but was changed so students whose parents are not involved, are not precluded from the appropriate programs. Methods may include requiring attendance in summer school and intensified reading instruction that may require the student be removed from the regular classroom for part of the school day. Additionally, the commissioner of children, families and learning must recommend multiple assessment tools for assisting in student identification and make available examples of nationally recognized and research-based instructional methods or programs for districts to use in providing intervention.

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Under the proposal, staff development provides for teacher reading preparedness and on-going opportunities for improving reading instruction methods. Teachers renewing continuing licenses also must have further preparation in comprehensive, scientifically based and balanced reading instructions, according to the measure.

Ring presented S.F. 192, a bill that appropriates money for the construction of new libraries and the renovation of existing libraries. She said, "It is my hope that the Mighty Ducks book grants do for libraries and reading what the Mighty Ducks arena program did for ice hockey."

## Charter school bills heard

The Education Committee met Mon., Mar. 26, to hear bills relating to charter schools, parental notification of pesticide usage and education programs as an alternative measure to amphetamine prescription drugs for Attention Deficit Disorder (ADD) and Attention Deficit Hyperactive Disorder (ADHD) treatment.

Sen. Sandra Pappas (DFL-St. Paul), committee chair, authored S.F. 1855, a bill obligating charter schools to incorporate before entering into contracts. Pappas said the bill codifies existing language and provides a clarification regarding unreasonable charter school leases. The bill was approved and sent to the floor.

Pappas also presented S.F. 866, the departmental education policy bill. Specifically, Pappas addressed an article related to charter school formation. She said the bill eliminates sponsorship of children, families and learning and requires that audits of charter schools must be conducted in compliance with specified standards. An amendment was adopted that allows the commissioner to elect to sponsor the charter school or assist the applicant in finding an available sponsor. Sen. Martha Robertson (R-Minnetonka) offered an amendment to S.F. 866 requiring charter schools to comply with public school audit provisions that apply to charter schools. The amendment was adopted. The bill was laid over.

S.F. 427 was presented by Sen. Kenric Scheevel (R-Preston). The bill establishes a three-year leave limit for public school teachers wanting experience at charter schools. Scheevel said the present unlimited leave allowance for public school

teachers going to charter schools creates a staffing problem and is inequitable for other public school teachers.

Jerry William, Rochester School District superintendent and a proponent of the bill, said, "Unlimited years of leave is counter-productive to the school district." He said districts are not able to offer permanent positions to the best of the applicant pool because the district is bound to hold the permanent position open for teachers who may return. He also said it is a matter of equity and fairness for teachers who stay in public schools because teachers transferring to charter schools maintain their seniority.

Scheevel offered an amendment requiring school districts to offer a five-year leave for the teachers going to charter schools, with an extension, if mutually agreeable by the district and the teacher on leave. The amendment was adopted. S.F. 427 was approved as amended and sent to the floor.

Sen. Thomas Neville (R-Northfield), author of S.F. 750, said the bill requires program and service evaluations before providing amphetamines to children with ADD and ADHD. Neville said parents have the right to decline ritalin treatment for children who are diagnosed with ADD and ADHD. He said children in the United States are more likely to take ritalin than in any other country in the world and Minnesota ranks ninth among states with children using ritalin or other psychotropic drugs.

Testimony was given by Dr. Fred Baughman, a pediatric neurologist from San Diego, California. Baughman said, "I have witnessed the rise of the ADD and ADHD epidemic and am concerned and angered over the decision to treat children with drugs." He said ADD and ADHD have never been confirmed as a disease. Further, he said, "ADHD is normal behavioral variations."

Teacher Marilyn Pavlak said she has noticed an increase in ritalin and similar drug usage by children. She said if children are being medicated they are not able to develop coping mechanisms, which has a negative effect on their social life and skills. "Let's make medication the last resort and not the first," she said. S.F. 750 was laid over for further discussion.

Sen. Twyla Ring (DFL-North Branch) presented S.F. 1447, a bill requiring notification to parents when pesticides are used at Head Start and licensed day care

facilities. Tessa Hill from Kids for Saving Earth Worldwide, testified in favor of the bill. She said, "This is right-to-know legislation. We want to be able to protect our children from the toxins around us. We're asking that parents be notified so they can make the decision whether or not to send their children to school when spraying is taking place." The bill was also laid over for further discussion.

## Panel discusses child care funding

The Tues., Mar. 27, meeting of the Education Subcommittee on Early Childhood Education focused on Head Start and child care bills. All bills were laid over for presentation to the full Education Committee.

Sen. Roger Moe (DFL-Erskine) carried S.F. 1393, a bill modifying the child care market rate survey. The bill establishes a hold harmless provision for the maximum rate paid by counties for child care assistance. Current law caps the rate at 75 percent for like-care arrangements in the county. Beginning July 2001, the 75 percent rate may not be less than the same rate established for the county the previous year, under the bill.

Moe said Clearwater County is one of 5 counties that have the 75 percent rate this year, which is lower than the previous year. Gordy Hagen, director of Human Services in Clearwater County said rates paid to child care workers are very low. He said, "We are a rural, low-density county with double-digit unemployment." He said allocations to the county for child care provider payments have declined. "We are one of the lowest income counties in the state and if we can't provide child care for those who are working, we're just spinning our wheels," he said. The county, he said, needs funds and providers and the state's rates have to be high enough to lower the turn-over rate and retain child care providers.

Sen. Satveer Chaudhary (DFL-Fridley) authored S.F. 1761. The bill appropriates \$22.5 million each year from the TANF fund for the basic sliding fee (BSF) child care program. Further, he said, the bill repeals the 1999 levels. Chaudhary said, "It is the consummate welfare buster because the bill gives people an opportunity to work."

Sen. Claire Robling (R-Prior Lake) asked if the appropriation request fully funds the bill. Chaudhary said, the correct appropriation amount is difficult to

determine. However, he said, using past history as a benchmark, an increase from \$5 million to \$10 million per year is needed to fulfill the bill's intention. Additionally, Chaudhary said the less TANF funds are used, the less likely they will be available in the future because unused funds send a message to the federal government that the state doesn't need them. He said that he would rather see TANF money in the BSF program than not used at all. He also said, "The program has enabled people to become self sufficient members of society and when we have a program that works, it stands to reason we should fully fund it. It makes sense to fully use the TANF fund for their intended purpose."

Boyer said the basic sliding fee program waiting list declined because co-payments were raised and discouraged people from entering the program. She said, "The BSF program is a working family issue, not a welfare issue. If we make the program more restrictive, of course it will discourage people from entering, and when it is a program that works we ought to be encouraging it."

Robling authored S.F. 1851, a bill consolidating and modifying income eligibility for MFIP and basic sliding fee child care assistance programs. Robling said, "The bill is another alternative we can look at as we're reviewing options for the child care program." Ann Kaner-Roth, from Child Care Works, said the child care community is supportive of the theory behind consolidation but the main concern is access. She said lowering the eligibility rate may provide incentive for some parents to quit work. Additionally, she said the exit level should be lowered because there is an enormous step up to full child care expenses.

Sen. Martha Robertson (R-Minnetonka) carried S.F. 1247, a bill expanding services and eligibility for state Head Start funds. Robertson said the bill allows Head Start parents to use state funds for services for children birth to age five and allows participation of families with incomes up to 120 percent of the federal poverty guidelines.

Sen. Becky Lourey (DFL-Kerrick), subcommittee chair, authored S.F. 1170, a bill increasing the hold harmless provision for Head Start grantees. Under the bill, the hold harmless year for Head Start grantees is changed from 1993 to 1999. Additionally, she said the bill appropriates \$55.7

million for Head Start programs, \$10 million of which must be used for full-year programing for children birth to age three. She said cost and quality are the two main issues addressed in the bill.

Testimony in favor of the bill was given by Robert Benes, Lakes and Pines Community Action Counsel from Mora, Minnesota. He said, "Static funding has caused a decrease in the number of children we can serve." He said the cost per family also needs to be included to allow for a higher enrollment level. Robertson said, "There are also major demographic shifts that are not being addressed in current funding."

Kiara Pacharo, Tracy Bakken and Erica Manning, Head Start parents, testified in support of the bill, saying services provided by Head Start nurtured community involvement, self-sufficiency, development and growth.

### **Students' health bills heard**

Bills regarding student's health and safety, the farmer-lender mediation program and the cost of English as a Second Language programs were heard by the Education Committee Tues., Mar. 27. Members also continued their discussion of S.F. 866, the education policy bill.

Sen. Randy Kelly (DFL-St. Paul) authored a bill, S.F. 991, that requires law enforcement agencies to provide notification of student possession of drug paraphernalia to schools. Kelly said, "The presence of drug paraphernalia generally indicates there is something the counselors need to know." Susan Carstens, Crystal Police Department juvenile specialist, said, "The bill helps us with the intervention and education process so we can get help for kids." S.F. 991 was approved and sent to the floor.

Sen. Thomas Neuville (R-Northfield) presented S.F. 750, a bill requiring evaluation of programs and services before providing amphetamines to children with Attention Deficit Disorder (ADD) and Attention Deficit Hyperactivity Disorder (ADHD). An amendment was adopted requiring the Board of Teaching to review rules, instead of adopt rules, that require all colleges and universities with teacher preparation programs, to include information and teaching strategies on positive behavior interventions. S.F. 750 was approved as amended and sent to the floor.

Sen. Leonard Price (DFL-Woodbury) said S.F. 1436 is an agriculture bill that

regulates pesticide applications in and around schools. Price offered an amendment which clarifies that school districts are required to designate a person who is responsible for the usage of pesticides. The amendment was adopted. Robert Meeks of the School Boards Association said the bill helps the district and employees understand the ramifications of certain pesticides. S.F. 1436 was approved and sent to the full Senate.

S.F. 1776, authored by Sen. Jane Ranum (DFL-Mpls.), requires the Department of Children, Families and Learning to determine the cost of educating English language learners until they are able to have an all-English curriculum. Ranum said there are 3,000 new ESL (English as a Second Language) students per year and about 1,000 are retained in the program the second year. Jesse Mantano, from CFL, said the bill requires some full-time staff to carry out the mandate. S.F. 1776 was approved and referred to the E-12 Education Budget Division.

S.F. 486, a bill extending the sunset date for the farmer-lender mediation program to July 1, 2003, was authored by Sen. Twyla Ring (DFL-North Branch). Ring said farmer-lender mediation offers farmers in debt the opportunity to renegotiate, restructure, or resolve farm debt. Rod Hamer, of the University of Minnesota Extension, testified in support of the bill. He said, "The University has 302 cases pending as of March 1, 2001 and the program is working better than it ever has." S.F. 486 was approved and sent to the floor.

Committee members also discussed the maltreatment section of the department's education policy bill, S.F. 866, carried by Chair Sandra Pappas (DFL-St. Paul). Bob Brick, from ARC Minnesota, said, "Investigative responsibility [concerning the maltreatment of minors] was shifted to CFL in 1999 and the law works much better now." Parents, whose children were allegedly maltreated at school, testified on behalf of the new policy.

### **Student health addressed**

The Education Committee, chaired by Sen. Sandra Pappas (DFL-St. Paul), considered seven bills at an evening hearing Weds., Mar. 28. Sen. Roger Moe (DFL-Erskine) carried a bill, S.F. 1431, that allocates tobacco settlement endowment funds. Under the bill, 72.5 percent of

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the funds go to a medical education endowment fund and 27.5 percent are used to create a healthy kids learn endowment fund.

Jan Malcolm, Department of Health commissioner, discussed the goals of the healthy kids learn fund. She said schools currently receive little direction on health issues. Under the bill, the fund creates a steering committee to help schools address health issues, particularly in the areas of immunizations, asthma and autism. The endowment also funds challenge grants to schools, Malcolm said. "The bill addresses the critical connection between health and academic success," she concluded.

Pappas suggested that members strike language restricting use of the funds to K-12 education, pointing to the importance of early childhood education. A corresponding amendment was adopted. The bill was approved and sent to the Finance Committee.

S.F. 357, carried by Sen. Leonard Price (DFL-Woodbury), clarifies and regulates the sharing of information between schools and the juvenile justice system. The bill, Price said, creates a procedure under which the juvenile justice system may inquire about whether a school has data available on a student's use of controlled substances, possession of weapons, or threatening behavior.

Sen. Lawrence Pogemiller (DFL-Mpls.) moved to strike language specifically mentioning tobacco and alcohol as substances about which the justice system may request information. Price contended that the information provides a useful snapshot of a student, and cannot be requested unless legal action has been initiated against the student. The amendment did not prevail. A second amendment, offered by Pogemiller, that strikes language referring to a student's use of medication also failed.

Price moved to delete a section requiring the Department of Children, Families and Learning to train school personnel in their responsibilities under the bill, in order to remove any fiscal implications from the bill. Members adopted Price's amendment and advanced the bill to the floor.

Price also carried S.F. 251, which clarifies the relationship between Century College and Intermediate School District No. 916. The school district currently owns and uses a building on the college campus, Price said, but the college is severely space-deprived. The bill appropriates funds to allow the school district to lease alternate space and let the college use the building on its campus. Members approved the policy of the bill but raised questions about the size of the appropriation needed. The bill was sent to the Finance Committee without recommendation.



*St. Paul Mayor Norm Coleman, Minneapolis Mayor Sharon Sayles Belton and former Attorney General Skip Humphrey, from left, ask members of the Senate Higher Education Budget Division to adequately fund the University of Minnesota during a hearing Weds., Mar. 28.*

Photo by David J. Oakes

Sen. Thomas Neuville (R-Northfield) carried S.F. 1329, a bill defining the types of behavior that lead to dismissal of a student. The bill says that interfering with the ability of not just students, but also school personnel, to perform their duties is grounds for dismissal. Members adopted an amendment, offered by Neuville, requiring that parents or guardians be notified when a student has been dismissed more than five times. The bill was advanced to the floor.

S.F. 501, carried by Sen. Richard Cohen (DFL-St. Paul), includes many provisions to accelerate the growth of small business in Minnesota. The committee concentrated on a section of the bill creating the North Star Research Coalition at the University of Minnesota, which will help apply technological research to economic development statewide. The measure was approved and sent to the Finance Committee.

Sen. Charles Wiger (DFL-North St. Paul) carried S.F. 1706, a bill allowing students to use asthma inhalers in school. The bill requires that a school nurse ensure the student knows how to use the inhaler, or, if the school has no nurse, that parents provide written verification from a doctor. Robert Meeks, Minnesota School Boards Association, proposed that all students be required to submit verification from a doctor. Sen. Linda Scheid (DFL-Brooklyn Park) moved the amendment, but it was defeated. Sen. Dave Kleis (R-St. Cloud) offered an amendment deleting a provision that requires the American Lung Association to assist in training school staff on asthma assessments. The amendment prevailed. The bill was advanced to the floor.

Finally, members heard a discussion of articles six and seven of S.F. 866, a departmental policy bill carried by Pappas. Norm Chaffee, CFL, outlined several small policy changes in the bill. Because of time constraints, members postponed questions on the bill until the next meeting.

## E-12 Education Budget Division

### School fund transfer bills heard

The E-12 Education Budget Division met Weds., Mar., 28, to hear two school fund transfer bills and a presentation of various articles in the governor's education budget proposal by Tom Melcher, of the

Department of Children, Families and Learning. Sen. LeRoy Stumpf (DFL-Thief River Falls), division chair, said members are considering elements of the governor's proposal for possible inclusion in the panel's E-12 budget bill.

Stumpf presented S.F. 1517, a bill allowing school districts to transfer funds without a levy reduction. The bill also requires a public notice be sent, via mail, to taxpayers informing them of the amount to be transferred.

Sen. Michelle Fischbach (R-Paynesville) also presented a school fund transfer bill. S.F. 2041 authorizes a school board to transfer excess revenue in the debt redemption fund to the operating capital account in the general fund. Both the Stumpf and Fischbach bills were laid over for further discussion and consideration in the full Education Committee.

Melcher reviewed general education, facilities and technology, and nutrition articles from the governor's budget proposal. Melcher said, under the education article, the governor proposes reducing pupil weights to simplify the education finance system. "The proposal spends no additional dollars because the formula allowance is adjusted upwards by 11 percent to ensure any changes are revenue neutral," said Fiscal Analyst Eric Nauman. If approved, the measure changes the grade K-3 pupil weight from 1.115 to 1, the grade 4-6 pupil weight from 1.06 to 1, and the grade 7-12 pupil weight from 1.3 to 1.15, he said. Nauman said the changes simplify the manner in which school district revenues are paid to districts by the state.

The panel adopted an amendment that defines "class size" and "classroom teacher." The intent of the provision is to count only those teachers who provide the majority of a student's education, said Melcher. Music, special education and physical education teachers are no longer included in the teacher to student ratio count. Additionally, under the bill, beginning in FY 03, grades K-3 class size reduction revenue may only be used for classroom teachers in grades K-3. Further, the bill requires an annual report be completed by districts showing the amount and use of the revenue.

Under the article pertaining to facilities in the governor's proposal, the state assumes a larger share of the costs for districts' construction and reconstruction projects, said Melcher. The measure

decreases the amount of funding needed from property tax revenues, he said.

Mary Begalle, CFL food and nutrition supervisor, spoke to the section addressing reduced-price meal eligibility. She said the bill allows the commissioner of revenue to match tax return information to student data. The purpose of the match is to conduct a pilot program to evaluate the feasibility of the data match for identifying children who qualify for the free and reduced-price school meals. The program also verifies the eligibility of school meal applicants. Sen. Michele Bachmann (R-Stillwater) said, "I believe searching for income levels to find eligibility is a violation of confidentiality." She said she opposes this feature of the program. Begalle said the Legislature can choose to eliminate the program after the sunset date of December 31, 2002, if results don't merit a continuation.

## Higher Education Budget Division

### Technology bill approved

The Higher Education Budget Division Committee, chaired by Sen. Deanna Wiener (DFL-Eagan), met Wed., Mar. 28, and welcomed several public figures who came to testify in support of the University of Minnesota and Minnesota State Colleges and Universities. Governors Wendell Anderson and Arne Carlson said they had supported higher education even during economically difficult times. Anderson said that from the inception of income taxes in 1933 to 1955, 100 percent of income tax revenue was spent on education.

St. Paul Mayor Norm Coleman said that, although he is a fiscal conservative, he considers the MnSCU and the University invaluable resources and urges the Senate to support them. "What MnSCU does," he said, "is that it taps into our state's greatest resource and that's human potential." Minneapolis Mayor Sharon Sayles Belton and former Attorney General and current University Professor Skip Humphrey also urged the Senators to support the University and MnSCU.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 501, which includes several initiatives aimed at encouraging high technology industry. The bill contains three education provisions. The first permits non-resident high school students

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who have a grade point average of at least 3 on a 4 point scale to pay the same amount of tuition at public colleges and universities as Minnesota residents. “The bill is for those folks looking for public university type education, and the University of Minnesota and MnSCU making itself available in a way competitive that is with public universities in other states,” said Sen. Steve Kelley (DFL-Hopkins), co-author of the bill. Jane Brown, president of the Minnesota High Technology Association, said, “High technology businesses will move and stay where there is the talented workforce they need.”

The second education related provision creates a Lifetime Learning Grant Program that provides 25 percent of tuition for students who have already earned baccalaureate degrees and go back to school to gain job skills for teaching, information technology jobs or health care occupations. “The program is for people who are ruled out of getting grants because they already have an undergraduate degree,” Kelley said.

The third provision requires the University of Minnesota to partner with private industry to leverage the school’s research capabilities into economic development results. The bill establishes the North Star Research Coalition and provides \$75 million to be matched by private investments. The bill specifies that the coalition shall fund research in emerging technology-based industries done in collaboration with the University, MnSCU, the Mayo Clinic and other nonprofit research institutions. Charles Muscoplat, co-chair of the University of Minnesota working group on the state’s economy, said a study done by the University of Arkansas demonstrated that states earn a 23 percent annual rate of return on money invested in research, more than three times the amount earned on higher education funding.

S.F. 501 was recommended to pass and referred to the Education Committee.

The committee also recommended S.F. 1431, which modifies the allocation of tobacco settlement funds, and referred it to the Education Committee.

Sen. Roger Moe (DFL-Erskine), author of the bill, said the measure, among other changes to the tobacco settlement appropriations, gives money to the University of Minnesota Academic Health Center, contingent upon an agreement

with the Department of Health. Under the bill, the University receives \$8 million, if the school’s partnership with the department results in a plan to fundamentally redesign health care delivery and addresses the racial and ethnic gap in the health care profession.

Jan Malcolm, commissioner of the Department of Health, said that the Legislature sets two priorities for the tobacco settlement fund, the health of children and medical education. She said the governor recommends giving the \$8 million to the University Academic Health Center to offset its annual \$8 million short fall. Cohen said the appropriation should be given directly to the University of Minnesota, because the University has traditionally not been under the jurisdiction of the department. The committee adopted an amendment that changes the recipient of the appropriation from the Department of Health to the Board of Regents of the University.

## Environment and Natural Resources

### PCA tax reform advanced

The Environment and Natural Resources Committee heard five bills Thurs., Mar. 22. Among them was the Pollution Control Agency (PCA) tax reform bill, S.F. 1743, authored by Committee Chair Jane Krentz (DFL-May Township).

Cathy Moeger, acting chief financial officer for the PCA, explained the proposed reform. She said the agency’s funding is currently based on the “polluter pays” principle, many separate fees earmarked for specific project areas. However, she said, “The sources of pollution and those who are paying to address the problems don’t match up.”

The reform, Moeger said, restructures 14 separate accounts into a single broad-based environmental fund, flexible enough to address any high priority projects. The proposal does not raise any fees and eliminates the water quality and hazardous waste fees. The solid waste tax comprises the bulk of the new environmental fund, Moeger said. A dramatic increase in the amount of solid waste generated in Minnesota, she said, has brought large revenues into the solid waste fund. Therefore, combining the solid waste fund with other funds remedies the \$8

million shortfall in the PCA budget, she said.

Sen. Dan Stevens (R-Mora) said it sounded like the agency is trying to create an environmental “slush fund,” making it difficult to track collections and expenditures. Moeger said the solid waste tax is renamed the environmental tax to make it clear that it addresses a variety of environmental concerns. The impacts of pollution do not stay within defined boundaries, she said.

Tony Kwilas, representing the Minnesota Chamber of Commerce, testified against the bill. He said he opposes putting the solid waste tax into a broadly applied pool of funds. An alternative stable funding source should be found for the PCA, he added. Representatives of the Association of Minnesota Counties and the National Solid Waste Management Association also spoke in opposition to using the solid waste tax surplus to address the PCA’s budget shortfall.

In light of concerns raised about the bill, Sen. Dennis Frederickson (R-New Ulm) moved that it be sent to the Tax Committee with no recommendation. The motion prevailed.

Members also heard S.F. 1284, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), which provides funding for a whitewater park on the Mississippi River in Minneapolis. Bill Tilton, chair of the Whitewater Park Group, said the project will create an area for biking, walking, rafting and canoeing just downstream of St. Anthony Falls. “The project will restore the rapids to the only feature of any geological significance on the Mississippi River,” he said. Pogemiller said a study funded last session made a positive recommendation on the project, and \$683,000 is now needed to move ahead with the plan. The bill was approved and sent to the Finance Committee.

Members referred two other funding requests to the Finance Committee. S.F. 1402, carried by Sen. Keith Langseth (DFL-Glyndon), allocates \$234,000 for the flood hazard mitigation grant program in the Red River basin. S.F. 596, authored by Krentz, allocates \$200,000 to implement the Lower St. Croix cooperative management plan. Buck Malick of the Minnesota-Wisconsin Boundary Area Commission said the appropriation funds a full time DNR position to create a uniform land and water use strategy for the Lower St. Croix.

Finally, members heard a Department of Natural Resources lands bill, S.F. 1580, authored by Sen. Roger Moe (DFL-Erskine). The bill authorizes certain land sales and corrects technical errors related to land designation. The bill also implements a land exchange project on lands currently leased for wild rice harvesting. The bill was approved and sent to the floor.

## Feedlots, sunken logs debated

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), approved bills on a variety of topics Tues., Mar. 27, in the penultimate hearing before the first committee deadline. S.F. 295, authored by Sen. Leonard Price (DFL-Woodbury), lists projects to receive funding from the Legislative Commission on Minnesota Resources (LCMR). Price offered two amendments. The first updates language regarding federal land and water conservation funding for outdoor recreation projects. The second extends the time period for certain LCMR appropriations to take into account seasonal factors and the readiness of the projects. Both amendments were adopted, and the bill was advanced to the Finance Committee.

Price also carried S.F. 423, a bill clarifying regulations regarding the disposal of material used to absorb used oil. Under current law, Price said, service stations must test oil sorbents for toxicity to confirm they may be sent to a landfill. The bill simply bans placing any material containing used oil in a landfill. Mike Robertson, Pollution Control Agency, said, "This clarifies the law and puts everyone on an even playing field."

Sen. Bob Lessard (IND-Int'l. Falls) objected to the bill, saying it places an added cost on service stations and is especially inconvenient for stations far from urban areas. Members adopted an amendment changing the effective date for the bill to June 1, 2002 to give time for the infrastructure that collects used oil sorbents to develop. The bill was sent to the floor.

The committee approved two bills designating certain rivers as canoe and boating routes. S.F. 1828, authored by Sen. Keith Langseth (DFL-Glyndon), applies to the Red River in northern Minnesota. S.F. 1948, carried by Sen. Dallas Sams (DFL-Staples), relates to the Long Prairie River. Under the bills, the rivers will be marked

with signs designating points of interest, hazards and rest stops. The bills were sent to the Finance Committee.

Members then turned to S.F. 1270, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids). The bill prohibits the raising of sunken logs from inland waters in the state, an activity that had been approved in a law passed last session. Abundant complaints from lake residents led the DNR to request a ban on the activity.

Craig Waddell, who bought an expensive sonar system to locate logs after last session's law, testified against the bill. He said, "The standards this program is being held to environmentally are way past a fair standard." Raising the logs, which sank during logging activity a century ago, disturbs the lake no more than raising an anchor, he said, and they were not a natural part of the ecosystem in the first place. Dawn Kovacovich of the Lake Plantagenet Association contended, "You're upsetting an ecological balance regardless of what the original natural state was." She said raising logs could increase mercury levels by disturbing sediment.

Sen. Dan Stevens (R-Mora) offered an amendment prohibiting the use of motorboats, anchors and roll-in docks in Lake Plantagenet, saying these activities harm the lake as much as raising logs does. He later withdrew the amendment. Sen. David Tomassoni (DFL-Chisholm) offered an amendment calling for a study of the effects of log-raising, while leaving the prohibition in effect. Krentz pointed out that the subcommittee had removed a study from the original bill because it costs so much to get a conclusive result. Members adopted Tomassoni's amendment and, because the study gives the bill a fiscal impact, sent the bill to the Finance Committee.

Sen. Steve Murphy (DFL-Red Wing) carried S.F. 1659, the omnibus feedlot bill. The bill removes requirements regarding precipitation records and air emission plans, simplifies the inventory process required of delegated counties and confirms a transfer of certain dairy inspection responsibilities from the Pollution Control Agency to the Department of Agriculture. Murphy offered amendments addressing concerns raised about the bill. The amendments reinstate the requirement for an air emission plan, since the plan only requires submitting a simple form, and clarify that a level one feedlot

inventory requires counties to provide information on the location and size of feedlots. The amendments were adopted. The bill was approved and sent to the Finance Committee.

Sen. Kenric Scheevel (R-Preston) presented a technical bill, S.F. 702, changing the word "shall" to "may" in a statute directing counties to expand the Blufflands trail system in southeast Minnesota. The bill was recommended for placement on the Consent Calendar.

S.F. 1811, authored by Sen. Mark Ourada (R-Buffalo), addresses the problem of agricultural ditches that are now in suburban areas. The bill allows landowners or a city to petition for transfer of a county drainage system to a water management authority such as a municipality or a watershed district. Members adopted a technical amendment and sent the bill to the Agriculture, General Legislation and Veterans Affairs Committee.

Stevens carried S.F. 1486, a bill to simplify laws related to the Wetland Conservation Act (WCA). The bill also appropriates money from the general fund to implement the WCA. Members adopted technical amendments and advanced the bill to the Finance Committee.

Finally, members began hearing testimony on S.F. 1305, carried by Sen. Twyla Ring (DFL-North Branch). The bill bans the use of pyrethroid products for mosquito control unless the products are shown not to have significant impacts on insect diversity. Debra Blaschko of Gaylord said her children observed hundreds of dead monarch butterflies the morning after a city-wide mosquito spraying. Theresa Solomonson, also of Gaylord, said she experiences debilitating illness every summer after mosquito spraying. The bill was laid over.

## Environment and Agriculture Budget Division

### Livestock and crop support heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard bills Thurs., Mar. 22, promoting crop and livestock agriculture. After being heard, the bills were set aside to be considered for inclusion in the omnibus spending bill.

Sen. Jim Vickerman (DFL-Tracy) authored two bills to support grain and soybean farmers. S.F. 815 allows for the

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approval of up to three new ethanol plants for the ethanol producer payment program. Under the bill, the new plants are eligible for the same subsidies given current plants. Scott Dubbelde, vice chair of Granite Falls Community Ethanol Plant, spoke about plans for an ethanol facility in his community. "Our town is really reeling from natural and economic disasters," he said, "This plant will stay there for the long haul, which is something that Granite Falls really needs."

Marvin Zutz of the Minnesota Barley Growers Association mentioned plans for a wheat, barley and corn ethanol facility in northwest Minnesota. Price questioned whether there is enough demand to match a large increase in ethanol production. Vickerman pointed to the growing use of E85 fuel, which contains 85 percent ethanol. He concluded by pointing out the economic benefits of the bill, saying, "Agriculture is what drives this state, and farm income is going down."

S.F. 1085, also sponsored by Vickerman, allows a grant of up to \$1 million to be given to a cooperative for the construction of a soybean oilseed processing facility. The bill is targeted at a facility planned in the city of Brewster, Vickerman said. Glenn Thuringer, manager of the Worthington Regional Economic Development Commission, said the plant will create 180 new area jobs.

S.F. 523, sponsored by Sen. Steve Dille (R-Dassel), appropriates \$700,000 over the biennium to combat John's disease in cattle. Jim Collins, head of the Minnesota Veterinary Diagnostic Laboratory, said the disease has no cure and is difficult to detect early. About \$100,000 annually, he said, will be used to develop a testing technique that produces results in days rather than months. Approximately \$250,000 annually will provide funding to test more cattle for the disease, said Bill Hartman of the Board of Animal Health.

Dille also authored S.F. 30, a bill appropriating \$75,000 annually for an education specialist to implement the agriculture in the classroom project. Susan Anderson said she has been successful in showing K-12 teachers how to integrate agricultural concepts into the curriculum. Her workshops, she said, make teachers who grew up far from agriculture comfortable teaching it in the classroom.

Members then heard S.F. 1519, a bill providing \$600,000 over the biennium for research on turf grass production. The bill

is authored by Sen. LeRoy Stumpf (DFL-Thief River Falls). Steven Helmstader said turf grass production helps farmers diversify and prevents erosion. "It's kept more farmers on the land and created healthy, vital communities," he said. More research is needed to develop saleable varieties, he said. Members adopted an amendment deleting a reference to using funds for educational and marketing activities.

Finally, members heard bills authored by Sen. Martha Robertson (R-Minnetonka) to provide funding for a water access at Gray's Bay on Lake Minnetonka. S.F. 121 appropriates \$850,000 from the general fund and S.F. 122 appropriates \$850,000 from bond sale proceeds. Robertson said the project is in the final stages of site preparation and construction.

## Turkey, lamb research heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard six bills Tues., Mar. 27. The bills were laid over for possible inclusion in the omnibus bill.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 856, a bill appropriating funds for research on turkey respiratory disease. Steve Olson, Minnesota Turkey Growers Association, said Minnesota is a leading turkey producer and processor. However, he said, the appearance of avian pneumovirus, found primarily in Minnesota since 1997, threatens that status. The bill appropriates \$1.005 million for a grant to the University of Minnesota to fund research on prevention and disease control.

S.F. 513, authored by Sen. Steve Dille (R-Dassel), provides funds to promote the lamb and wool industry. The bill appropriates \$100,000 each year for the lamb and wool education program at Minnesota West Community and Technical College in Pipestone, \$100,000 each year for research at the U of M, and \$50,000 each year for lamb and wool market development. Mike Caskey, an instructor at Minnesota West, said the college's program has helped many producers apply better management techniques. He said of the lamb industry, "It's one of the few things in agriculture that has a market we're currently not filling."

Sen. John Hottinger (DFL-Mankato) carried S.F. 993, which appropriates \$400,000 each year of the biennium for

research on malformed amphibians. The money will be used to fund a research coordinator position at the Pollution Control Agency, collect malformed specimens, and provide grants for research, Hottinger said. Perry Jones, United States Geological Survey, said scientists have reached no conclusions on frog deformities yet, and are investigating rainwater, parasites and chemical disruptors as possible causes of the problem. The federal government is likely to match any funding provided by the state, he added.

S.F. 383, authored by Sen. Deanna Wiener (DFL-Eagan), provides disaster relief funds to the city of Eagan. Eagan City Administrator Thomas Hedges said the city was hit by 3 record-breaking rainfalls in the past 13 years, culminating in a July 2000 storm when 9 inches of rain fell in 4 hours. Although the city's sewer system meets industry standards, he said, it is inadequate to prevent flooding when faced with such drastic rainfall. The bill appropriates \$17 million for construction of a storm drainage system to prevent flooding. Eagan resident Dennis Bauman, whose home was flooded twice, said, "We'd like to see something come about that will give us a little assurance that we can live in our homes safely."

Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 812, appropriating funds for a Civilian Conservation Corps (CCC) worker statue. The CCC helped pull the nation out of the Great Depression by employing young men for natural resources projects, Scheid said. She said the statue will cost approximately \$25,000 and may be located on the Capitol Mall or the state fairgrounds.

S.F. 241, authored by Sen. Charles Berg (R-Chokio), appropriates \$1.5 million for construction of the Lazarus Creek floodwater retention project. Willis Beecher, president of the Lac qui Parle-Yellow Bank watershed district, said funds have already been invested in the design of dams and pools to lessen bank erosion and reduce water flow speed. John Curry of the Minnesota Center for Environmental Advocacy testified against the bill, saying the project has a high cost for a minor benefit. Sen. Jane Krentz (DFL-May Township) offered an amendment providing for a mediation process involving all parties interested in the project. The amendment was set aside to be reconsidered when the bill is taken up again.



## Health and Family Security

### Kids health care okayed

Commissioner of Health Jan Malcolm provided details concerning the Healthy Kids Learn Endowment at the Mon., Mar. 26, meeting of the Health and Family Security meeting. Sen. Roger Moe (DFL-Erskine) carried the measure, S.F. 1431, that modifies the existing tobacco settlement endowment funds and creates the endowment. Under the bill, the commissioner of finance must credit the tobacco settlement fund with the one-time settlement payments that are received by the state in January 2002 and January 2003. The bill appropriates 72.5 percent of the credited amount from the January 2002 payment to the medical education endowment fund and 27.5 percent of the January 2003 payment to the healthy kids endowment fund. A provision extends the sunset for the tobacco settlement fund by two years until 2017.

Malcolm said the initiative identifies three primary issues to improve the health of students: immunizations, asthma and autism. Malcolm said other serious health needs such as diabetes, obesity, depression and other mental health conditions will also be addressed. In an attempt to remedy some of the environmental factors blamed for high asthma rates in children, indoor pollutants like mold, dust and other hazards are targeted for control. Malcolm said that escalating numbers of students continue to miss school because health problems have interfered with their ability to attend classes.

In response to a question from Sen. Sheila Kiscaden (R-Rochester), Malcolm said the bill does not create a new endowment for academic health, but creates an \$8 million expansion of the existing program and creates a new program for the Healthy Kids Learn portion of the bill. An amendment was passed to establish Healthy Kids Learn outcome goals and to require reports from the commissioner to related legislative committees. Members advanced the bill and re-referred it to the Education Committee.

Moe also carried S.F. 1844, a measure to modify public health care programs to ensure that all children receive health care coverage. Moe said that in 1992, Sen. Linda Berglin (DFL-Mpls.) was instrumental in passing the MinnesotaCare program and that the bill is an extension of the vision that aims to make medical insur-

ance available to all children in Minnesota by 2003. He said the bill attempts to lower barriers to low income children. A portion of the bill simplifies the application process and implements an electronic verification system to verify income levels. An amendment was adopted to specify that children aged 2 through 18 in a family whose countable income is no greater than 225 percent of the federal poverty level are eligible for Medical Assistance. The amendment also creates a pilot project to establish presumptive eligibility for children under age 19 with family income below the Medical Assistance guidelines and creates an outreach program to promote the importance of health coverage. Among the many provisions, the amendment creates a pool of funding to reimburse community clinics and other providers that offer initial health care screenings and preventative care to children who are uninsured. The bill was approved and re-referred to the Finance Committee.

Sen. Don Samuelson (DFL-Brainerd) authored S.F. 1635, a bill that requires Medical Assistance to cover a proven home-based behavioral therapy for children with autistic spectrum disorders. Samuelson said that 47 percent of autistic children treated using intensive Applied Behavioral Analysis (ABA) methods in early childhood were functioning normally by the first grade. He said the method is currently the only proven treatment for autism in the country. The measure limits authorization to 1,430 hours of therapy per child and requires the commissioner to set provider qualifications, supervision requirements and prior authorization requirements consistent with guidelines established by the young autism project at the University of California—Los Angeles.

Kiscaden asked psychiatrist Steve Luce, University of Chicago, about the reasons for the rising numbers of children diagnosed with autism. Luce replied that the scope of the definition of autism has been broadened significantly.

Kiscaden offered an amendment that was adopted to establish a pilot project to assist parents of children with autistic disorder in utilizing available services. A provision also requires that the commissioner seek any federal waivers for help in providing case management services. The bill was approved and re-referred to the Finance Committee.

Sen. John Marty (DFL-Roseville) authored S.F. 1824, a comprehensive approach to increase programming and services for compulsive gamblers. Marty said the measure requires that the state spend more in prevention and treatment than in promoting gambling. He said the start-up funding should be appropriated out of the lottery prize fund, with support from other gambling enterprises. The bill was approved and re-referred to the State and Local Government Operations Committee.

Marty also presented S.F. 1460. The measure addresses the duty-to-warn provisions in statutes that were added to the Psychology Licensing Act of 1986. At that time, social workers were not licensed and were referred to as mental health practitioners. The duty-to-warn provisions provide immunity from lawsuits for good faith compliance with law. The bill adds social workers to the provisions that offer legal protection for those in private clinical practice, home health consultants and those who wish to form partnerships with colleagues in social work or other professionals covered by the act. The bill was approved and re-referred to the Judiciary Committee.

Sen. Dan Stevens (R-Mora) carried S.F. 1515, a measure to establish a program for respite care for family adult foster care providers. Stevens said the bill is needed to provide support to overworked caregivers of adult foster care residents. A provision allows licensed providers to be eligible for 30 days of respite care per calendar year. Other provisions determine payment structures for respite care compensation and increase the waiver rate for Medical Assistance home and community-based services by 5.5 percent. Stevens said that a more consistent structure will help attract respite workers to the profession. The bill was approved and referred to the full Finance Committee.

Berglin authored S.F. 1370, a bill to establish a voluntary intergovernmental transfer program designed to generate additional federal Medicaid payments. Under the bill, the money would support health care safety net providers. A provision requires that DHS make agreements with willing nonstate government entities in order to collect revenues through intergovernmental transfers from nonstate entities to the state. According to Berglin, the transferred amounts would be added to federal matching payments and used to

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enhance Medicaid payments for safety net providers designated by the nonstate entity. Berglin said the bill provides language for communities with hospitals that may take advantage of payments to health care providers. She said the financing issues had yet to be worked out. The bill was approved and advanced to the Finance Committee.

Berglin also carried S.F. 1365, a measure to create a health care endowment fund in the state treasury. Berglin said the bill creates funding for clinics and rural health grants. A provision transfers \$150 million from the health care access fund to the health care endowment fund and authorizes the appropriation of up to 5 percent of the average of the fair market value of the fund for the preceding 12 months by the Legislature for health care initiatives. The bill was approved and referred to the Finance Committee.

S.F. 1935 was also carried by Berglin. The bill adds case management services to Medical Assistance coverage for vulnerable adults and persons with developmental disabilities who are not receiving home and community-based waiver services. Provisions detail reimbursements for providers and establish eligibility and provider qualifications. Berglin said the measure was cost neutral. Members approved the bill and referred it to the Finance Committee.

Sen. Linda Higgins authored S.F. 498, a measure to designate alternative schools as essential community providers of mental health services. The bill establishes procedures for determining whether students receiving services in an alternative school may be exempted from the Prepaid Medical Assistance Program (PMAP). A \$1.4 million reimbursement to Hands On Cedar Hill Academy is provided to account for rejected claims for mental health services. The bill was approved and referred to the floor.

## Alzheimer's addressed

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), approved a number of bills Mon., Mar. 26, in an extension of the afternoon hearing. Three bills relating to nursing care were advanced to the Finance Committee. S.F. 1336, authored by Sen. Ellen Anderson (DFL-St. Paul), prohibits mandatory overtime for nurses, if the nurse believes working extra hours would jeopardize patient safety. Anderson

offered, and members adopted, an amendment making the bill more palatable to opponents. The amendment specifies that the bill does not apply to long-term nursing facilities and eliminates the penalty section in the original bill.

Members also adopted an amendment, offered by Sen. Sheila Kiscaden (R-Rochester), requiring the nurse to document in writing why working additional hours would jeopardize patient safety. Another amendment offered by Kiscaden, calling for a study of the connection between consecutive working hours and patient safety, was defeated. Finally, members discussed at length an amendment detailing the emergency conditions when a nurse can be required to continue on duty. The amendment, as adopted by the committee, allows overtime beyond a normal work period in case of a disease outbreak, adverse weather conditions, or natural disasters, but only requires supervisors to stay on duty in case of a strike.

Another bill, S.F. 1341, relates to Alzheimer's patients who do not need nursing care. The bill requires home care providers or housing establishments that advertise a special Alzheimer's care unit to disclose, at time of registration, certain details of services and staffing credentials. Bill author Sen. Leo Foley (DFL-Coon Rapids) said, "We wanted to get information out so people can guarantee that their loved ones will be treated in a proper fashion." Members adopted minor changes before approving the bill.

Sen. Dennis Frederickson (R-New Ulm) carried S.F. 1802, a bill changing billing requirements for nursing facilities located in counties not currently participating in the Prepaid Medical Assistance Program (PMAP). The bill exempts facilities that directly provide therapy services from restrictions on billing for the services.

S.F. 1531, authored by Sen. Becky Lourey (DFL-Kerrick), creates a pilot program to optimize the emergency care children receive in community hospitals. Carolyn Allshouse related how her son is severely disabled and unable to ingest food through his mouth because staff at a local hospital were unable to recognize the severity of his condition in time. "Our lives have been forever changed because of the lack of pediatric expertise at the community hospital," she said.

Members questioned whether a specially funded project is the best vehicle

for improving pediatric care. If training is inadequate, said Sen. Linda Berglin (DFL-Mpls.), higher requirements for education should be set. Foley said that if HMOs or communities promise pediatric care, it is their responsibility to make sure competent care is provided. The bill was advanced to the Finance Committee.

The next two bills related to care for high-risk youth. Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 1549. Currently, he said, youth with a combination of intellectual limitations, mental health problems and violent behavior are placed in facilities out of state. The bill creates a task force to look at developing local services for the youth. Members amended the bill to eliminate the task force and direct the commissioner of children, families and learning to look directly at developing the needed facilities. The bill was approved and sent to the Finance Committee.

S.F. 1394, authored by Kiscaden, amends state law to conform with federal regulations regarding children in out-of-home placement. The bill changes the timing of hearings and streamlines permanency requirements. Members adopted an amendment raising to 14 the age when a court may order long-term foster care. The bill was sent to the Judiciary Committee with a recommendation to pass.

Sen. Linda Higgins (DFL-Mpls.) carried S.F. 1744, which works to prevent HMOs from limiting treatment for mental health problems. The bill provides that an HMO must provide at least 10 hours of outpatient treatment for mental disorders if the health plan covers inpatient treatment for these services. It also restricts an HMO from capping the annual amount paid for outpatient mental health services. Members adopted an amendment, offered by Sen. Michelle Fischbach (R-Paynesville), providing that a payment cap is not allowed for any type of health care, so that chiropractic services also cannot be capped.

Minneapolis psychologist Denise Wilder said her experience was that an HMO payment program provided funds adequate for only three treatment sessions. "We believe that the program applies a disincentive to treat patients appropriately," she said. Dr. Maureen Reed of Health Partners replied that no system is perfect. Under the payment limit system, she said, a provider receives \$335 whether the patient receives one or 20 sessions.

Most patients attend fewer than four sessions, she said. The bill was advanced to the Commerce Committee.

S.F. 1233, carried by Kiscaden, centralizes the billing system for alternative care services. Jerry Spinner of the Department of Human Services said, "This bill puts the state in the position of accounting and collecting and allows the county to focus on providing essential services." Berglin offered an amendment to exempt Hennepin County from the bill, since it is operating an alternative care pilot project with its own computer system. The amendment was adopted, and the bill was advanced to the Finance Committee.

### Food safety bill heard

A bill establishing a grant to fund the Community Health Education for Food Safety Program was presented at the Tues., Mar. 27, meeting of the Health and Family Security Committee. The committee is chaired by Sen. Dallas Sams (DFL-Staples). Carried by Sen. Linda Berglin (DFL-Mpls.), S.F. 1521 appropriates \$400,000 to the commissioner of health for a grant to the city of Minneapolis. Berglin said the bill establishes the program in order to teach immigrant restaurant and grocery store owners, including those in Latino, Somali and Southeast Asian communities, about food safety and regulatory issues. The goal is to maintain a safe food supply and a high level of sanitation throughout all licensed facilities, she said. The program is intended to reduce critical food code violations, increase food safety knowledge and bring about consumer awareness and community empowerment through training and education, according to witness testimony. Members approved the bill and re-referred it to the Finance Committee.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1477, a bill providing for measures to improve child support collection and enforcement. Foley said the committee would only address portions of the bill related to health care. Provisions in the measure include amending the commissioner's rulemaking authority and clarifying language related to legislation passed last session allowing child support to be passed through directly to the custodial parent. Another provision allows the commissioner to pay paternity incentives to the county child support agencies on a per child, instead of a per case basis. An amendment was adopted to address intentional non-compliance with child

support payment rules. Another amendment clarifies the administrative process in cases of unclaimed support funds. The bill was approved and re-referred to the State and Local Government Operations Committee.

Berglin authored S.F. 1412, a comprehensive Department of Health bill. The

measure modifies the tobacco settlement fund, creates a healthy kids learn endowment fund, determines eligibility for hospital uncompensated care aid, provides loan forgiveness for various health care workers and includes numerous licensing and fee requirements. An amendment was adopted to remove portions of the bill that



*Lisa Karn and Dawn Heidemann, both from the Anoka school district, rally against the governor's proposed k-12 budget during a rally on the front steps of the Capitol Tues., Mar. 27.*

Photo by Shelley Hawes

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contained provisions outlined in other health proposals. An amendment, offered by Sen. John Hottinger (DFL-Mankato) was adopted to delete a requirement that preference be given to graduates of Minnesota schools for pharmacy loan forgiveness programs. Hottinger said he knew of pharmacists raised in Minnesota, but educated in other states who would like to practice in Minnesota. It makes sense, he said, to provide incentives for living and working here, especially when the state is in desperate need of pharmacy professionals.

A representative from the Minnesota Retailers Association said she opposes the portion of the bill that raises license fees for food and beverage service establishments. She said the fees were increased by 40 percent several years ago and that the 40 percent increase specified in the bill is excessive. Hottinger said that in order to protect public safety and control health standards, the fee increases are necessary. The bill was approved and re-referred to the Finance Committee.

Sen. Becky Lourey (DFL-Kerrick) authored S.F. 1464, a measure to modify provisions for lead poisoning prevention and to require that property owners provide well water test results before selling property. An amendment was adopted to specify requirements for lead sampling technicians and alternative compliance methods for agencies.

Lourey said she is very concerned about ensuring that property owners with private wells regularly test them. Following testimony by a representative from the Minnesota Association of Realtors, who opposed the well-testing provision in the bill, members agreed to delete the provision. The amended version was approved and referred to the floor.

S.F. 1430, a measure that eliminates a duplicative reporting requirement in the alcohol and drug counselor licensing system, was authored by Sen. Linda Higgins (DFL-Mpls.). A provision authorizes the commissioner to exchange investigative information about alcohol and drug counselor licensees with other public entities that have investigative and enforcement authority. The bill was recommended to pass and re-referred to the Judiciary Committee.

## MFIP changes advance

Members of the Health and Human Services Committee devoted the entire

Weds., Mar. 28, hearing to testimony and discussion of seven bills that make changes in the Minnesota Family Investment Program (MFIP).

Following three hours of public testimony on the program, and in support and opposition to the bills, members began the business of crafting the bills. Testimony from several individuals echoed that of Verona Martin, from Paradigms of Success, Inc., who said that welfare reform has been good for some, but that some individuals have life barriers that prevent them from reaching self-sufficiency. Other individuals said that the approaching 60 month limit since the reform of welfare programs lends a sense of urgency to the MFIP bills before the committee.

S.F. 1724, authored by Sen. Linda Berglin (DFL-Mpls.), provides exemptions from the 60 month time limit on MFIP assistance. The measure also extends the 60 month limit for individuals who meet MFIP eligibility criteria and who are not denied an extension by the county.

Berglin said the bill provides that individuals who are exempt from employment and training requirements are exempt from the 5 year limit. In addition, the bill specifies that those who are earning income and participating in work activities for at least 40 hours per week for a two parent family, or 20 hours per week for a single parent family with a child age six years or younger are also exempt for the time limit. Finally, the measure also specifies those who are in an education or training program, in which the combination of work and education are for at least 40 hours per week for a two parent family or 20 hours per week for a single parent family with a child age six or younger.

The measure also provides that at the end of the participant's eligibility period when TANF assistance has been exhausted, the participant's time limit will be extended provided the participant meets the MFIP eligibility criteria. Further, participants must comply with MFIP requirements or be subject to a sanction. The bill also specifies that a county must conduct a face-to-face review before denying an extension and outlines the specifics of the review.

The committee, chaired by Sen. Dallas Sams (DFL-Staples), also considered several amendments to the bill. An amendment, offered by Berglin, specifying that the commissioner must adjust the MFIP earned income disregard to ensure

that most participants do not lose eligibility for MFIP until their income reaches at least 120 percent of the federal poverty guidelines in effect in October of each fiscal year, was amended to raise the level to 130 percent of the poverty level. The Berglin amendment was then adopted. Members also adopted two amendments, offered by Sen. Becky Lourey (DFL-Kerrick). The first amendment provides a cash bonus for participants retaining jobs, working out of the program or completing educational requirements. The second amendment authorized education for 48 months. However, an amendment, offered by Sen. Leo Foley (DFL-Coon Rapids), reducing the time to 24 months, was adopted. The bill was approved and advanced to the Finance Committee.

Berglin authored several additional bills dealing with provisions relating to MFIP. S.F. 1299 extends the time for emergency assistance to 120 days per episode and allows a family to receive the assistance twice in a 12 month period. Current law, Berglin said, limits emergency assistance to one 30 day period in 12 months. She said that most often the emergency assistance is used for shelter and utilities to allow people to stay in their homes or to provide shelter for those who are homeless. Sen. Sheila Kiscaden (R-Rochester) offered an amendment, which was adopted, to specify a total of 120 days for 2 episodes in a 12 month period. The bill was approved and re-referred to the Finance Committee. S.F. 1606 deletes the \$100 of rental or housing subsidy as income for MFIP purposes. In addition, the bill eliminates a provision that would limit the Minnesota food assistance program to noncitizens who are 50 years or older beginning in July 2002. S.F. 1230 excludes 50 percent of child support received by an MFIP family for purposes of determining family income. All three measures were approved and re-referred to the Finance Committee.

S.F. 1608, also sponsored by Berglin, reduces sanctions for MFIP participants not complying with program requirements. The bill specifies that the sanction for the first occurrence of noncompliance by a participant in a single-parent household or by one participant in a two parent household is a five percent reduction of the grant. For a second or subsequent occurrence of noncompliance or when both participants in a two parent household are out of compliance the grant is reduced 10

percent after vendor payments are made for shelter. The bills also specifies that the food portion of the MFIP grant must not be sanctioned. Kiscaden offered an amendment to raise the sanction to 10 percent for the first instance of noncompliance and to 30 percent for the second instance. The amendment was adopted. The bill was approved and advanced to the Finance Committee.

Members also approved a bill, sponsored by Sams, that makes technical changes and clarifications to the MFIP laws. S.F. 1311 was approved and forwarded to the Finance Committee.

Chief author, Sen. Don Samuelson (DFL-Brainerd), said that S.F. 1673 contains the administration's proposals for MFIP. The measure contains some of the provisions that are in S.F. 1724 and specifies conditions under which an MFIP participant is no longer eligible for the program. In addition, the bill adds a 50 percent sanction after a participant has been at the 30 percent sanction for 5 months. The bill also provides extended support beyond the 60 month limit for families making their best effort to become self-sufficient. The bill failed to gain the committee's approval.

## Health, Human Services and Corrections Budget Division

### Deaf-Blind services debated

Members of the Health, Human Services and Corrections Budget Division met Thurs., Mar. 22, to discuss several bills.

Sen. Dallas Sams (DFL-Staples) presented S.F. 1488, a measure to appropriate money for grants to Deaf/Blind Services of Minnesota, Inc. (DBSM). DBSM contracts with the state to provide deaf-blind persons with services that include residential training and self-sufficiency supports. Director of Programming Amelia Franck told members that DBSM teaches computer and communications skills for deaf/blind individuals, in addition to providing assistance with buying groceries, intervention teaching services and help in accessing community services. Currently, 40 individuals are on a waiting list for services, she said.

Susan Smith, former director of Children, Youth and Family Services at DBSM, said the proposed \$2.4 million allocation should be moved from the

Dept. of Human Services (DHS) to the Dept. of Economic Security (DES). According to Smith, DBSM is not meeting the individual needs of many deaf/blind clients, is refusing services to many in need and is spending too much money on administrative costs. DES, she said, is the state agency responsible for providing all blind and deaf/blind Minnesotans the services necessary to maximize independence and vocational options. It is a more appropriate agency for managing deaf/blind programing, she said.

Sams and other members said they were unaware of problems with DBSM and that they had not heard of complaints about DBSM operations in their districts. Sams asked for an auditor's report. DHS Director of Internal Audits David Ehrhardt presented a report limited to a review of DBSM accounting records, program files, the department's grant contracts and the appropriation from November 1997 through June 1999. According to Ehrhardt, it was alleged that "there may have been some double-billing by DBSM" but the allegations proved untrue. He said it was determined that cost billing was reasonable for the services rendered. However, he said, services were underfunded to meet goals and parents who were interviewed attested to the need for expanded services.

The panel adopted an amendment to specify that "grants" rather than "a grant" be allocated. Further, the amendment deletes DBSM as the grant recipient named in the bill. Language was changed to allocate funds to non-specific "providers." The bill was laid over for further consideration.

Sen. Linda Berglin (DFL-Mpls.) gave an overview of S.F. 705. The measure increases the supplementary service rate cap for specified group residential housing (GRH) facilities and for noncertified boarding care homes. Under the bill, the GRH must qualify by showing that at least 75 percent of their clients have mental illness or chemical dependency, in addition to meeting other service requirements. The cap is increased from \$575 but must not exceed the nonfederal share of the adult case mix class A rate established for purposes of the community alternatives for disabled individuals program.

Joel Hager, administrator for Grace Manor, a non-certified board and care home, said his organization cannot receive Medicare or Medicaid but is subject to the same licensing regulations. He said that

Grace Manor provides care for about half the cost of nursing homes and that they are currently operating at a loss. He said a rate increase is needed, possibly tied in to the case mix rate. The bill was laid over for further discussion.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 1028, a bill to increase funding for crisis nurseries. The bill appropriates \$1 million to DHS to develop new crisis nurseries and \$1 million to expand existing crisis nurseries. Higgins said that studies have indicated a significant reduction in the need for child protection services for families using Minnesota's crisis nursery services. The nurseries were first established in 1983 as community-based safe havens for families, she said. The crisis nurseries provide emergency short-term care for children up to 12 years old and offer assessments of family needs, crisis counseling, referrals to appropriate agencies and transportation services. The bill was laid over for further discussion.

A measure to appropriate \$125,000 each year of the biennium for grants to fund a nonprofit agency currently serving deaf and hard-of-hearing adults with mental illness was authored by Sen. Ellen Anderson (DFL-St. Paul). S.F. 305 specifies that the grant may be used to continue and maintain community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication. Anderson said the Array Program functions to help individuals support themselves and to live independently.

Berglin said it may be possible to access federal Medicaid funding for Rehabilitation Options programming on a fee-for-service basis rather than proposing a separate appropriation in the budget. Anderson said she would research the alternative funding source possibility. The bill was laid over for further consideration.

Sen. Becky Lourey (DFL-Kerrick) carried S.F. 677, a measure to appropriate money for the senior service corps volunteer programs. Under the bill, \$2 million is appropriated for volunteer programs for retired citizens to provide travel reimbursement to volunteers and to expand programming. Other programs funded in the proposal include the grandparent program and the senior companion program. The bill was laid over.

# Committee update

## Nine bills discussed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Tues., Mar. 27, to consider several bills and to hear a Department of Human Services (DHS) Legislative Auditor's report.

The report addressed issues of DHS noncompliance with federally funded programs. According to the report, DHS failed to promptly request medical assistance reimbursement, totaling approximately \$22 million, for some clients at the department's regional treatment centers and long-term care facilities. The billings should have been submitted monthly but due to billing problems related to the state operated services computer system, prompt requests for reimbursements for its clients did not always occur. Also, the department did not properly record child support transactions within the state's accounting system.

According to the report, the Legislative Auditor recommended that the department should resolve its billing problems and ensure that it promptly requests all Medical Assistance reimbursements for its clients. The auditor's report also advised DHS to work with the Department of Finance to resolve the transactions errors on the Minnesota Accounting and Payroll System (MAPS). Department representatives told the panel that the department was in the process of correcting the compliance and transaction errors.

Sen. Twyla Ring (DFL-North Branch) presented S.F. 620, a bill appropriating \$300,000 to place individual names on graves at regional treatment center cemeteries. Twenty percent of the appropriation is reserved for payments to consumer-run disability rights organizations in St. Paul for community organizing, coordination, fundraising and administrative costs, according to Ring.

Minnesota Association for Persons with Severe Head Injuries (MNASH) spokesperson Michael Eastin said there are an estimated 10,000 remaining unmarked graves and that each marker costs approximately \$137. The bill was laid over.

Sen. Dallas Sams (DFL-Staples) authored S.F. 1001, a measure that makes changes to health care identification cards. Under the bill, cards issued after July 1, 2003 must include specified uniform prescription drug information. An amend-

ment was adopted to clarify identification card enrollment specifications and standards. Legislative analysts estimate that the identification card changes would cost the state approximately \$21,000 for FY 2002 and \$42,000 for each subsequent year through FY 2005. Members approved the bill and re-referred it to the full Finance Committee.

Berglin authored S.F. 789. The bill changes contract requirements between DHS and nursing facilities that serve ventilator-dependent persons. Under the bill, case mix level K assessments are no longer considered prerequisites for gaining eligibility to a negotiated rate, which a new provision caps at 300 percent of the case mix class K rate at the facility. The bill also deletes a requirement that the person must have been hospitalized for six months in order to be eligible under the contracting provision and changes language to allow that an unspecified length of time in a hospital is permitted. A spokesperson for DHS said that a revised fiscal note is forthcoming. The bill was laid over for further consideration.

Sen. John Hottinger (DFL-Mankato) presented S.F. 597, a bill that requires the Medical Assistance (MA) program to reimburse ambulance services at the greater of the rate paid by the federal Medicare program or the MA rate in effect on July 1, 2000. Hottinger said that new federal rules are dramatically impacting ambulance services, making it necessary to increase the reimbursement rates. Fiscal analysts estimate expenditures of approximately \$620,000 annually for MA and GMAC ambulance service payments. The bill was laid over.

Sen. Becky Lourey (DFL-Kerrick) authored S.F. 985, a measure to appropriate \$500,000 to support the home-sharing grant program. Lourey told members that the bill strikes the repealer currently scheduled to take effect on June 30, 2002. The home-sharing program matches persons in need of housing with families who are willing to share their homes. Lourey said that staff at the Minnesota Home Sharing Association assess family and client needs in determining suitable matches. Witnesses testified to the success of the program in providing affordable living options for seniors, the disabled and single parents. The bill was laid over for further consideration.

Sen. Dallas Sams (DFL-Staples) carried S.F. 948, a bill that increases

inpatient hospital rates for diagnosis related groups (DRGs) for facilities outside the Metro Area. Under the bill, MA and MinnesotaCare programs are required to reimburse inpatient admissions for 16 specified diagnoses at non-metro facilities. Rural hospitals spokesperson Mike Mahoney said that hospitals are not always paid the DRG rates and the bill aims to reimburse non-metro hospitals at the average metro rate for services provided to public health care program recipients. The bill was laid over.

Sams also carried S.F. 189, a measure to provide funding for mental health counseling support to farm families and business operators. Sams said that many farmers and their families are experiencing economic difficulties and other stresses that often lead to mental health problems. He said that farmers are often reluctant to seek counseling help because of privacy issues related to small-town life. The bill specifies appropriations of \$150,000 for FY 2002 and \$150,000 for FY 2003, transferred to the board of trustees of the Minnesota State Colleges and Universities for mental health counseling support. Under the bill, funding is managed through the farm business management program at Central Lakes College and Ridgewater College. Members laid the bill over for further consideration.

## Jobs, Housing and Community Development

### DTED plans heard

The Jobs, Housing and Community Development Committee met Fri., Mar. 23. The members focused on the consolidation of workforce development efforts and the reorganization of the Department of Trade and Economic Development and the Department of Economic Security.

Sen. Dave Johnson (DFL-Bloomington) gave a detailed presentation of S.F. 1760, which extensively reforms departments and programs dealing with workforce development. The bill restructures the Minnesota Job skills partnerships board. "The partnership consolidates programs and has them work better together," said Johnson.

The restructured board, under the bill, consists of representatives from Minnesota State Colleges and Universities, the University of Minnesota, at least one nonprofit organization, and people chosen

by each legislative body. The chair person of the Governor's Workforce Development Council also presides over the executive board. Johnson said the sharing of a chair person integrates the efforts of the workforce council and the partnership.

The bill states that the board must develop performance standards for jobs programs, which incorporate programs' completion rates, the governmental cost per placement and the employability of a client before training. Johnson presented an amendment that requires training programs to provide basic skills training as well as develop personal qualities such as responsibility, self-esteem, self-management, honest and integrity. "It's critical that we don't marginalize people who need soft skills," said Sen. Ellen Anderson (DFL-St. Paul), committee chair. Johnson said he wanted more feedback on the amendment before the committee votes on the measure.

The bill also sets up an executive committee of the Governor's Workforce Development Council and requires the group to write performance standards for workforce development centers. The measure mandates centers to create re-employment programs to monitor under-employed individuals and provide information about advanced placement and training opportunities.

The bill also eliminates the Department of Industry and Labor and the Department of Economic Security, renames the Department of Trade and Economic Development the Department of Economic and Workforce Development. The measure also creates the Department of Employment Services. The committee laid over S.F. 1760 for further consideration.

Sen. John Hottinger (DFL-Mankato) sponsored S.F. 1614, which allows former and current state employees to take civil action against the state if they believe that the state has violated the Age Discrimination Act, the Fair Labor Standards Act, the Americans with Disabilities Act or the Family and Medical Leave Act. He said the legislation is needed because of recent Supreme Court decisions that determined that the state, not Congress, must dictate whether employees can bring civil action against the state. "The state government ought to do the same things we require private employers to do," said Hottinger. The bill was recommended to pass and referred to the Judiciary Committee.

Sen. Linda Higgins (DFL-Mpls) presented S.F. 1575, which changes the expiration dates for a number of government councils. She tabled the bill after Sen. Martha Robertson (R-Minnetonka) said she is sponsoring a similar bill that extends the length of time for all the councils to July 2003. Robertson said she preferred to wait until after the next election year to decide on the expiration dates.

### **Inclusionary housing okayed**

The Jobs, Housing and Community Development Committee convened Mon., Mar. 26 and approved an inclusionary housing measure.

S.F. 1217, authored by Sen. Richard Cohen (DFL-St. Paul), requires developers working in counties contiguous to the Metropolitan Area to construct only developments that have 20 or more percent units that qualify as affordable housing. The bill states that affordable housing costs less than 30 percent of the area's median income, if the development receives any public subsidies, or 80 percent of the area's median income, if the development is built with private investment only.

The bill, said Russ Adams from the Alliance for Metropolitan Stability, creates affordable housing without making pockets of poverty. "The bill makes a balance of housing type with housing affordability," he said.

Under the legislation, developers who create affordable housing are rewarded with a greater density allowance, which permits them to build at least 30 percent more units in each development. The bill authorizes cities to provide regulatory flexibility, such as reduced parking requirements and road widths, to developers who comply with inclusionary housing provisions. "The good thing about density bonuses," said Adams, "is that it allows developers to go above and beyond what is allowed in order to create even more housing."

Jack Horner, representing the Multi-Housing Association, said, "The measure is going to stop housing production by making requirements too restrictive."

Sen. Martha Robertson (R-Minnetonka) said private developers should be allowed to comply voluntarily. Cohen said, "The reason affordable housing isn't being constructed now is that we haven't got the strength to convince

people to do it. That's why we need a little more stick than carrot." The committee defeated an amendment that allowed private developers to voluntarily comply with inclusionary housing principles.

The committee combined S.F. 1217, the inclusionary housing measure, with S.F. 1205, authored by Sen. Douglas Johnson (DFL-Tower). The bill requires the plan review fee, charged to developers to review their compliance with state building codes, to be based on the actual cost of review. The bill also prohibits cities from creating building codes that are more restrictive than the state building code, although cities are still allowed to have codes concerning issues not addressed by the state.

"The bill tries to remove barriers to housing affordability," said Johnson, "by making sure that fees are not a deterrent to housing in some areas." He said the bill makes fee structures more streamlined.

The committee recommended that S.F. 1217, with provisions from S.F. 1205, be passed and re-referred the measure to the Finance Committee. S.F. 1205 was also referred to the floor.

A bill, S.F. 1619, authored by Sen. Ann Rest (DFL-New Hope), creates a technical advisory group, under the authority of the Construction Codes Advisory Council, to study and recommend ways of simplifying and reducing the cost of redevelopment. Under the bill, the group shall examine laws, codes, and standards; draft model ordinances and recommend steps state agencies may take to encourage local governments to adopt the model ordinances. The measure also gives the state building official final authority for interpreting the state building code. The bill was recommended to pass and sent to the floor.

Cohen sponsored S.F. 1190. The bill allows housing finance agencies to use funds for operational costs of providing permanent housing. The bill also creates a challenge program, which provides \$2 million for grants to organizations that assist low-income people by correcting their rental histories and giving them tenant training. The money may also be used for a bonding program to encourage landlords to accept high-risk tenants by paying their security deposits. The bill was recommended to pass and the measure was sent to the Finance Committee.

Sen. Roy Terwilliger (R-Edina) presented S.F. 1641, which appropriates

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money to the home ownership assistance fund to help pay the mortgage loans to historically underserved populations. Terwilliger said that home ownership rates are two to three times greater for white people in Minnesota than for people of color. The bill was recommended to pass and re-referred to the Finance Committee.

Sen. Myron Orfield (DFL-Mpls) authored S.F. 1591, which gives money to the agencies that administer Section 8 housing policies in order to acquire and rehabilitate homes. The bill requires the homes to be resold to households eligible for Section 8 assistance. The committee recommended the bill to pass and re-referred the measure to the Finance Committee.

Sen. Julie Sabo (DFL-Mpls) presented S.F. 1837, which incorporates recommendations from the Minnesota Housing Finance Agency. The bill was amendment to include a requirement that all new construction of single-family homes, duplexes and triplexes and townhouses built by the Housing Finance Agency meet "visitability" standards for people with physical handicaps. The homes will accommodate visits from people with handicaps by having wheelchair accessible entrances and a one-half bathroom on the main level. The requirement for the bathroom is waived if it reduces the affordability of the home for the target population of the project. S.F. 1837 was recommended to pass and sent to the floor.

A bill, S.F. 1301, authored by Robertson raises the threshold for HRA bonds. The bill increases the maximum cost of a project that does not require a contract to be awarded from \$25,000 to \$35,000 for the cost of projects in small towns and from \$25,000 to \$50,000 for the cost of all other projects. The bill was recommended for the Consent Calendar.

## Judiciary

### Eminent domain bill heard

The Judiciary Committee, chaired by Sen. John Marty (DFL-Roseville), met Thurs., Mar. 22, and considered reforming eminent domain law.

Sen. Dan Stevens (R-Mora) presented S.F. 1000, which prohibits cities that acquire land through eminent domain from selling the land to a private person for five years after the purchase unless it is sold back to the original seller, the original seller refused an offer to buy the property

back at the price it was purchased or the property purchased was in excess of the amount needed.

Stevens handed out copies of section 13 of the Minnesota Constitution and Fourth Amendment to the U.S. Constitution and asked the committee to consider protection of personal property rights. "Eminent domain has withstood the test of time and done what it is supposed to do with public purpose," he said. However, he said, "Political subdivisions of the state have been going beyond eminent domain, not for the public good, but to pick and choose the most desirable private property owners." He said cities are purchasing land from citizens in order to resell it to businesses that pay greater taxes. "The city's role is not to be a broker," he said.

Paul Walser, a car dealer, said the city of Richfield had used eminent domain law to purchase the site of his car dealership, the second largest Buick dealership in the country, and then sold the land to Best Buy. "We are told by Richfield that we must relinquish this property to Best Buy, one of the largest and wealthiest companies in the State of Minnesota because it is in the 'public good' to do so," he said.

Lori Loder, director of industrial development for the St. Paul Port Authority, said political subdivisions need the right to resell property for economic redevelopment reasons. She said several redevelopment projects, in which private land was bought and sold to businesses, created jobs and economic growth for St. Paul. She also said the city often purchases property that is environmentally damaged in order to clean it up and then sell it to businesses.

Stevens said he was willing work with Loder and others and the bill, S.F. 1000, was laid over.

Sen. Leo Foley (DFL-Coon Rapids) authored two bills. S.F. 729 addresses the rights of patients with mental illness who voluntarily commit themselves for treatment. The bill requires the commissioner of human services to reserve 20 percent of the beds in each regional treatment center for patients with mental illness who voluntarily commit themselves.

The bill also automatically seals all court records in proceedings involving persons with mental illness. Sen. Don Betzold (DFL-Fridley) said he was concerned about the wholesale sealing of records because it makes proving mistreat-

ment of the patient difficult. Bill Conely from the State Advisory Council on Mental Health testified in favor of the bill and said a court hearing is still open to the public and patients rights groups could monitor them. Betzold said, "If patients wanted their cases sealed, they can do so under current law, if they make the proper motion." The bill was approved and sent to the floor.

Sen. Satveer Chaudhary (DFL-Fridley) offered a bill, S.F. 1545, which clarifies sections of the Human Rights Act. Janeen Rosa, commissioner of human rights, said the bill made no substantive changes. The bill reorganizes provisions that address discrimination against people who receive public assistance or housing subsidies as well as clarifies other ambiguities. The committee recommended S.F. 1545 and referred the bill to the floor.

The committee heard a measure, S.F. 1187, that increases the maximum civil penalty due to disciplinary action by the Board of Psychology from \$5,000 to \$7,500 and institutes a 7 year statute of limitations for most complaints to the board. The bill, sponsored by Sen. Steve Kelley (DFL-Hopkins), was recommended to pass and referred to the floor.

### Privacy bills okayed

The members of the Judiciary Subcommittee on Data Practices assembled Thurs., Mar. 22, and considered a dozen bills concerning privacy issues, data classification and criminal histories.

Sen. Thomas Neville (R-Northfield) presented a bill that permits the Bureau of Criminal Apprehension to charge \$5 per inquiry for criminal history data from the department's web site. Sen. Don Betzold (DFL-Fridley), subcommittee chair, said the fee is needed to pay the \$600,000 cost of developing the web site. Sen. Sheila Kiscaden (R-Rochester) said the information is still available at no cost to people who visit the BCA in person. An amendment was adopted that limits the total amount of money raised through the web site to the cost of providing the service. The bill requires that the Web site provide information on how to contest information it provides, so a person who runs a background check on his or herself and finds an error will know how to contest it.

The bill also requires the site to state that only a 15 year criminal history of offenses in the state of Minnesota is provided. The site must also instruct



people who use the site's information against a person applying for a job, or housing or in a similar situation, that they must tell the person that the information on which they are basing their judgement was provided by the web site. Neuville said that although it is not illegal to discriminate based on criminal records, the disclaimer allows people being discriminated against to check the online information for errors. The bill was recommended to pass and re-referred to the Finance Committee.

The committee heard a bill that gives the commissioner of administration the authority to give a written opinion to a government office that allows the department to dismiss a request for public data if the request is considered too difficult to fulfill.

Don Gemberling, director of the Office of Information Policy, said, "I've been waiting for 27 years for someone to use the Public Information Act to harm the government instead of using it to keep the government accountable, which is what it was meant to do. It has finally happened." He said an individual is demanding all the public data available from five large government agencies and two school districts, a request that would fill more than 300,000 pages. He said the bill, S.F. 1592, is needed to prevent individuals from maliciously bogging down departments with paperwork.

The bill also strengthens requirements for withholding "security information" classified data. Under the legislation, if the data substantially jeopardizes the security of persons or property, a responsible authority must provide documentation that explains the harm that may result if the data are disclosed before rejecting the request for information. The bill also contains a provision that classifies as public the names and addresses of people who apply for jobs in schools and are selected for an interview by a committee. Mark Anfinson, an attorney for the Minnesota Newspaper Association, said, "The bill as it is before us is way too nebulous." Sen. Don Betzold (DFL-Fridley), author of the bill, said he had brought the bill to the committee to stimulate discussion. The committee took no action on the bill.

S.F. 564, authored by Sen. Twyla Ring (DFL-North Branch), allows employees who have used employee assistance services to access their own records. The

bill was recommended to pass and referred to the Judiciary Committee.

Sen. Leonard Price (DFL-Woodbury) sponsored S.F. 357, which expands the information schools must disclose to the juvenile justice system. The bill was recommended to pass and referred to the Judiciary Committee.

Betzold carried two bills, S.F. 1372 and S.F. 1373, that also affect minors. S.F. 1372 makes information collected under the Child Abuse Reporting Act confidential. "The bill," said Betzold, "frankly makes the information classified as it would be in any civil case." The bill was laid over. S.F. 1373 incorporates recommendations from a legislatively appointed work group on child protection issues. The bill authorizes access to BCA juvenile adjudication history records department for background checks on children's services workers. S.F. 1373 was recommended to pass and referred to the Judiciary Committee.

A bill that encompasses several recommendations from the Department of Revenue, S.F. 1374, was also recommended to pass and referred to the Judiciary Committee. The bill, authored by Betzold, requires judges to make specific determinations before issuing a search warrant for nontax criminal investigations that seek tax returns or data that are not public information.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 1215, a bill based on recommendation from the Department of Human Rights. The bill makes the name and address of the charging and responding parties in human rights suits available to each other after a claim is filed, but before probable cause is established. The committee recommended the bill to pass and referred the measure to the full committee.

Two bills, S.F. 1538 and S.F. 449, were approved for inclusion in the subcommittee's omnibus bill. S.F. 1538, sponsored by Sen. Jane Ranum (DFL-Mpls.), clarifies the liability of departments or persons that act in accordance to opinions written by commissioners. Gemberling said that under the bill, a person is still liable for actions taken in accordance with opinions that are given verbally. S.F. 449, authored by Betzold, classifies data collected by county economic development assistance programs in the same way that information collected by similar city programs is classified. The omnibus bill, S.F. 1068, sponsored by

Betzold, also included a section from S.F. 1725, authored by Betzold. The provision eliminates the requirement that a list of records disposed be submitted by the commissioner of administration to an archivist at the Minnesota Historical Society. The omnibus bill was recommended to pass and referred to the Judiciary Committee.

### Civil commitment bill modified

After thorough consideration and modification, a bill amending provisions for the civil commitment of mentally ill persons was approved by the Judiciary Committee Tues., Mar. 27. Seven other bills were also heard and approved at the meeting.

The civil commitment bill before the committee, S.F. 729, is authored by Sen. Leo Foley (DFL-Coon Rapids). As drafted, the bill amends provisions pertaining to rights and options for voluntary treatment and strengthens coverage requirements for insurers. Sen. Don Betzold (DFL-Fridley) said the scope of the bill is too broad and worked with Foley to remove some of the provisions. Patricia Seibert of the Disability Law Center and Bill Conley of the State Advisory Council on Mental Health joined Foley to support the bill.

As amended, provisions remain in the bill requiring that established clinical criteria serve as the basis for decisions to admit voluntary patients. Private treatment facilities are barred from refusing to accept a committed person and the bill also requires the examiner making a determination for a three-day hold to take a statement from the person who brought in the patient. A patient who is found incapable of providing informed consent to treatment is allowed, under the bill, to petition for a decision-maker other than the designated agency.

Certain rights of patients are addressed in the bill, including a clarification that a proxy may exercise rights on behalf of a patient. The bill adds provisions concerning continuing care to the notion of "periodic assessment" guaranteed in the Patient's Bill of Rights. The bill specifies notification that must be made to a patient who is admitted, committed, or the subject of a pre-petition screening. The notification required by the bill includes, among other things, information on various rights the patient has.

Other provisions in the bill address coverage. The bill requires insurers to

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cover mental health treatment ordered by the court and bars insurers from making a separate determination of medical necessity. New language on standards of proof for commitment specifies several situations that do not count as “refusal of treatment,” including the inability to access care due to lack of coverage,

The bill was approved as amended and sent to the full Senate.

S.F. 1017, authored by Sen. Roy Terwilliger (R-Edina), also generated many questions from committee members. The bill allows cities to implement photographic technology to detect moving violations at traffic signals. The bill specifies that the driver is not identified by the evidence and that the vehicle’s owner is charged with the violation. The violation, under the bill, does not become part of the owner’s driving record. Several people testified in favor of the bill, saying that it will reduce stoplight offenses that are otherwise difficult to enforce effectively.

Sen. Thomas Neuville (R-Northfield) said he does not think it is appropriate that the information, though not on one’s driving record, remains public and can be obtained by insurance companies. He offered an amendment that designates the photographic record and charges as private, non-public data available only to the owner of the vehicle. The amendment was adopted.

Sen. John Marty (DFL-Roseville), chair of the committee, said that, if a government contracts with a third party to implement the enforcement, the compensation should not be tied to the number of violations produced. Such an amendment was drafted and adopted. Neuville and Betzold both said they have concerns about due process since the bill does not allow vehicle owners to contest charges on the grounds that they were not driving, except in cases of theft. Neuville said the issue can be dealt with in the Committee on Crime Prevention, to which the bill was referred with the committee’s approval.

The committee also reviewed the data practices portion of a bill that makes statutory changes recommended by the Department of Revenue. The bill, S.F. 1374, sponsored by Betzold, contains changes to data classifications and to laws on the investigation and discovery of revenue data. The bill was approved and re-referred to the Crime Prevention Committee, where the bill’s provisions on

the seizure of contraband and collection of unpaid student loans will be examined.

S.F. 1021, authored by Sen. Steve Dille (R-Dassel), also gained the committee’s approval. The bill reduces the fee for a marriage license from \$70 to \$20 for couples that attend a qualifying pre-marriage education program. The couple may choose from a variety of sources for the training under the bill, as long as the topics covered include a premarital inventory, conflict management and communication skills. The bill specifies that portions of the reduced fee still go to specific family programs, as directed by current law. The bill, which Dille said was vetoed by the governor once before, was approved and re-referred to the Finance Committee.

Sen. Leonard Price (DFL-Woodbury) carried two bills. Judiciary issues contained in S.F. 1434 are the authority for administrative penalties enacted by the Department of Natural Resources and the recovery of litigation expenses when the state prevails in bringing a charge. The bill was approved by the committee and advanced to the full Senate.

The other Price bill, S.F. 357, received considerable attention in a number of hearings by the Subcommittee on Data Practices and Information Policy. The bill amends numerous provisions for the sharing and disclosure of educational data in order to address changes in federal law precipitated by school violence. Price added an amendment clarifying the form the bill provides for parties to use when requesting data.

Sen. Warren Limmer (R-Maple Grove) said the definition of “gang violence” violates freedom of association, adding that the definition is unfair since people in schools are not trained to recognize signs defined as gang behavior. Price said the definition in the bill already exists in statute and noted that training on all of the new provisions is called for in the bill. The bill was approved by the committee and re-referred to the Committee on Education.

S.F. 1478, authored by Neuville, allows public criminal background information to be provided on a website by the Bureau of Criminal Apprehension. The bill specifies that the BCA may charge fees for the data only until startup costs for the website are covered. The bill was approved by the committee and re-referred to the Committee on Finance.

The committee also reconsidered a bill that had previously been approved. Sen. Michelle Fischbach brought S.F. 368 back before the committee to add an amendment she crafted with Sen. Sheila Kiscaden (R-Rochester). The bill extends immunity from liability to property owners adjacent to public trails, and the amendment clarifies exception to the immunity. The bill was approved as amended and sent to the floor.

## Telecom privacy bill advanced

A bill prohibiting telephone companies and Internet service providers from providing information about their customers to third parties without the customers’ consent was approved at an evening hearing of the Judiciary Subcommittee on Data Privacy and Information. S.F. 565, authored by Sen. Steve Kelley (DFL-Hopkins), details the circumstances under which telephone companies may disclose customer information and outlines the notice and consent requirements. The measure also contains provisions regulating the disclosure, by Internet service providers, of a consumer’s personally identifiable information. Kelley said the bill is a combination of two bills that passed the Senate last session dealing with telecommunications privacy.

Kelley said that, at present, no telephone company is providing information about customers, but that the bill is an attempt to be proactive and provide leadership on the issue of telecommunications privacy.

Phyllis Harvin, representing Qwest Communications, spoke in opposition to the bill. Harvin said that telephone companies already have privacy policies in place, that the bill is predicated on incorrect information, that the issue more properly falls under federal jurisdiction and that federal rules will soon be in place that could preempt Minnesota law. Kelley responded that he had accommodated the concerns of the telephone companies in the language contained in the measure. He said that there is no cost to the companies unless the telephone companies change their current policies.

The measure was approved and advanced to the full committee.

The panel, chaired by Sen. Don Betzold (DFL-Fridley), considered the data privacy issues in a variety of other bills. S.F. 1671, authored by Sen. Dick Day (R-Owatonna), requires secondary educa-

tional agencies and institutions to make the names, addresses and phone numbers of students in the 11th and 12th grades available to military recruiting officers. S.F. 844, sponsored by Sen. Randy Kelly (DFL-St. Paul), authorizes the sharing of corrections and detention data for supervision purposes in a mental health court pilot program that is established under the bill.

S.F. 1345, carried by Sen. Linda Higgins (DFL-Mpls.), modifies the Vital Statistics Act by modifying the access to adoption records. The subcommittee adopted an amendment removing a provision in the bill that authorizes a \$20 fee for searching and producing a copy of a vital record when an applicant for a certified vital record does not furnish specific information. All three measures were approved and advanced to the full committee.

Sen. Sheila Kiscaden (R-Rochester) sponsored three measures. S.F. 1396 allows sex offender HIV test results to be maintained in an inmate's medical record maintained by the Dept. of Corrections. S.F. 1398, reestablishes a procedure for maternal health reviews by the commissioner of health. The bill authorizes the commissioner to conduct maternal death studies and outlines the conditions for access to medical data, medical examiner data and health records, without consent, when the subject of a data is a woman who died during pregnancy or within 12 months of a fetal death, a live birth or other termination. The measure also details provisions for the management of records. Members also reviewed the data privacy provisions contained in S.F. 1397, a bill that changes requirements for background studies for licensed programs under the Dept. of Health and Dept. of Human Services. All three measures were also advanced to the full committee with a recommendation for passage.

The panel also approved a bill, S.F. 1664, relating to occupational safety and health. The measure, sponsored by Sen. David Tomassoni (DFL-Chisholm), specifies that data that identify individuals who provide data to the Dept. of Labor and Industry as part of an OSHA investigation is private. Beth Hargarten, assistant commissioner of the department, said the measure is needed because the department doesn't want to discourage individuals coming forward. The bill was approved and advanced to the full committee.

Members also reviewed the data privacy provisions of two bills that were not formally in the Judiciary Committee. S.F. 1430, sponsored by Higgins, provides for the exchange of information for investigations of alcohol and drug counselors. S.F. 866, authored by Sen. Sandra Pappas (DFL-St. Paul), is the Dept. of Children, Families and Learning administrative policy bill. The panel began the review of an article containing provisions relating to maltreatment data, education records, and access to investigative data.

### **Racial profiling bill amended**

In addition to taking action on the racial profiling bill, members of the Judiciary Committee also considered an addition eight bills at their evening hearing Weds., Mar. 28. S.F. 880, authored by Kiscaden, is a bill that amends human services licensing as it pertains to substantiated maltreatment of vulnerable adults and children. Several non-controversial amendments were added to the bill. Judiciary elements in the bill include changes to data privacy provisions and to due process as it relates to licensing. The bill was approved and re-referred to the Committee on Finance.

Another bill headed for the Finance Committee is S.F. 2036, authored by Sen. Lawrence Pogemiller (DFL-Mpls.). The bill provides for the transition to full state funding of District Courts by changing statute to include the districts that are not yet funded. Pogemiller said the policy has already been decided and the bill clarifies technical issues related to the phase-in period.

Sen. David Knutson (R-Burnsville) presented S.F. 1944, a bill that establishes conditions under which people charged with the crime of felony nonsupport of child or spouse may have the charges dismissed. Knutson said the bill encourages compliance with support orders by asserting a process whereby the threat of a felony charge motivates obligors to agree to pay. Chair John Marty (DFL-Roseville) and Foley said they were unclear about how the bill impacts the overall process of stepped criminal penalties and other interventions. Neuville said he supports the intent of the bill, but that he objects to the use of criminal charges in general as enforcement of support since the state constitution bars imprisonment based on debt. He also said lawyers are considered

unethical if they try to threaten criminal charges to collect a civil debt. The bill was approved and sent to the Committee on Crime Prevention.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) gained approval for S.F. 1872, a bill that allows the commissioner of transportation to exercise the power of eminent domain to acquire specified trust fund land. The bill was re-referred to the Environment and Natural Resources Committee.

The committee, chaired by Sen. John Marty (DFL-Roseville), also discussed judiciary aspects of S.F. 859, the Accountancy Act of 2001. Chief Author John Hottinger (DFL-Mankato) said the relevant provisions codify in statute existing rules related to the confidentiality of information provided by clients and to the ownership of licensees' working papers and records. One other change, he said, grants liability immunity to good faith actions on the part of Accountancy Board members. The bill was approved and sent to the floor.

Two other bills approved for the floor were S.F. 564, authored by Sen. Twyla Ring (DFL-North Branch) and Sen. Don Samuelson's (DFL-Brainerd) S.F. 925. Ring's bill regulates access to records on employees who have taken part in employee assistance counseling. S.F. 925 amends the process whereby liens are filed against property for attorneys' fees. Sen. Don Betzold (DFL-Fridley) and Neuville both offered amendments to clarify aspects of the bill, which was approved as amended and sent to the floor.

## **Rules and Administration**

### **Redistricting principles advance**

Two proposals outlining the principles the Legislature must use in drawing new congressional and legislative districts were advanced to the full Senate at a Mon., Mar. 26, meeting of the Rules and Administration Committee.

The two proposals, S.F. 1013 and S.F. 1326, are both carried by Sen. Lawrence Pogemiller (DFL-Mpls.). Pogemiller said S.F. 1013 is in the form of a bill for a law and that S.F. 1326 is in the form of a joint resolution, but that both measures incorporate virtually identical language.

He said that there have been ongoing discussions with the other body and the administration about whether a bill or resolution is the best method of stating the

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principles, thus, he was advancing both forms.

The principles specify that legislative districts must be substantially equal in population and must not deviate from the ideal by more than plus or minus two percent. Congressional districts, as specified in the principles, must be as nearly equal in population as practicable. Other principles specify that districts be composed of convenient contiguous territory, be numbered in a regular series, must not dilute the voting strength of racial or language minority populations, must preserve political subdivisions, must attempt to preserve communities of interest, be politically competitive and must not be drawn to protect or defeat an incumbent.

The committee, chaired by Sen. Roger Moe (DFL-Erskine), considered several amendments offered by members of the panel. Sen. William Belanger (R-Bloomington) offered an amendment requiring that the population of legislative districts be as nearly equal as practicable. Sen. Pat Pariseau (R-Farmington) offered an amendment specifying that the mean deviation from the ideal for all legislative districts must not be greater than one percent. Sen. Dennis Frederickson (R-New Ulm) sponsored an amendment that allows the two percent population deviation downward only if the projected growth rate of the district is greater than the growth rate for the state and allows for the two percent deviation upward only if the growth rate for the district is less than for the state. Sen. Cal Larson (R-Fergus Falls), offered an amendment requiring that there be a public hearing in each congressional district on the redistricting principles. All of the amendments were defeated on party line votes of 6-13. Belanger moved to table the bill. The motion failed 6-13. The bill and the resolution were approved on a voice vote and advanced to the Senate floor.

In other action, members also approved a bill making it easier for individuals to vote by absentee ballot. S.F. 95, authored by Sen. John Marty (DFL-Roseville), provides that any eligible voter may vote by absentee ballot, if the voter has an expectation of not being able to go to the polls on election day. The measure eliminates the requirement that the absentee ballot be marked in the presence of a witness and authorizes voting by fax by persons outside the country or who

have become a patient in a health care facility in the seven days before the election.

A bill, H.F. 486, requiring the disclaimers on print political advertisements be in at least 10 point type and be legible was also advanced to the full Senate. The measure is carried by Sen. Arlene Lesewski (R-Marshall). Finally, S.F. 256, authored by Sen. Sheila Kiscaden (R-Rochester), establishing the council of health boards was approved and sent to the floor.

## State and Local Government Operations

### Bill calls for elective Met Council

A bill providing for the direct election of the Metropolitan Council came before the State and Local Government Operations Committee Thurs. afternoon, Mar. 22. Chair Jim Vickerman (DFL-Tracy) presided as Senators also presented bills on housing and other issues.

The Met Council bill, carried by Sen. Myron Orfield (DFL-Mpls.), outlines a process for the direct election of members of the council. Orfield said the bill does not add a layer of government, but instead combines council membership with the elections for county boards. He summarized the intent of the bill by saying that, since the Council currently has broad power and authority, including the collection of \$150 million annually in property taxes, the citizens of the Metro Area ought to have the opportunity to directly elect representatives.

The bill provides for increasing the size of the council, if necessary, and for creating election districts in a way that maintains proportional representation on the council. For counties that currently have an equal number of council representatives and county board members, the bill specifies that candidates serve in both capacities. For counties with fewer representatives than board members, the bill establishes districts for the number of council seats and specifies that board members elected from the districts serve on the council and county board, while the remaining board members are elected at large. If counties share a single council member, as is currently the case with Scott and Carver Counties, county board districts remain intact within the counties and any board candidate from either

county is eligible to be elected as the single council representative. The bill also contains provisions governing council candidacy and elections. A final provision requires the council to conduct a study of ways in which economies of scale may be created through the combination of resources and functions.

Sen. Dan Stevens (R-Mora) said the bill's plan smacks of central planning and pointed to the study provision as evidence of an intent to make the council more powerful. Sen. Martha Robertson (R-Minnetonka) said the study is simply intended to look for ways to save counties money. Stevens offered an amendment that removes the study requirement, but the amendment failed. The bill was approved and re-referred to the Committee on Rules and Administration.

S.F. 1205 was presented by Sen. Douglas Johnson (DFL-Tower), who said the bill provides a market based solution to the problem of affordable housing. The bill specifies that local ordinances may not be more restrictive than state building code. Other provisions in the bill restrict delay on approvals, requirements for licensing, and the imposition of fees. Orfield said the bill makes changes that affect the builders' profitability without addressing other kinds of barriers to affordable housing. Glenn Dorfman of the Minnesota Association of Realtors said the bill is drafted narrowly because the Legislature has defeated past attempts to address broader issues. Orfield said industry support for the changes in the bill could provide the leverage needed for approval of wider reform.

Many groups opposed the bill based on the restriction it places on local ordinances. Several people testified that the provision came about because of disputes over local fire code initiatives for residential sprinkler systems. Those who opposed the provision said the restriction is intrusive because it takes away local governments' flexibility and authority to define and pursue priorities. Johnson said the intention is to help builders comply by ensuring consistency of interpretation around the state. The bill was approved and sent to the Jobs, Housing and Community Development Committee.

Sen. Ann Rest (DFL-New Hope) presented another housing bill, S.F. 1619, that consolidates the recommendations of a task force of mayors concerning housing. Rest highlighted the bill's consumer

protections and permission given cities to include affordable housing in municipal planning. The bill also eliminates, except for cities of the first class, the requirement of a two-thirds vote for zoning ordinance changes. Under the bill, the super-majority is only required to change certain zoning classifications. Other provisions in the bill create a study group under the jurisdiction of the Construction Codes Advisory Council. Sen. Mady Reiter (R-Shoreview) asked if the bill's language on affordable housing creates any new mandates, but Rest said the provisions are permissive only and added that "affordable" is given a conservative definition. Sen. Don Betzold (DFL-Fridley) successfully offered an amendment to correct the bill's language on the approval of appointments to the study group. The bill was approved and referred to the Committee on Jobs, Housing and Community Development.

Rest also gained approval for S.F. 1540, a bill that removes the end date for the capital improvement bonding author-

ity granted counties. The sunset has been extended twice, Rest said, and no problems have been discovered with the granting of the authority. The bill was approved and referred to the Committee on Taxes.

Three other bills were approved and sent to the floor. S.F. 1490, presented by Sen. James Metzen (DFL-South St. Paul), transfers ownership of some regional interceptor sewers back to cities. The bill provides for warranty of the pipes and the phased transfer of all operational costs. The bill was approved and sent to the floor. Sen. Cal Larson (R-Fergus Falls), presented S.F. 1199, which amends county hospitals' board membership and spending authority for equipment or remodeling. Bill Flaig from Douglas County Hospital said the bill addresses inconsistencies in restrictions placed on county hospitals as compared to cities or counties.

The final bill approved at the meeting was S.F. 1404. The bill is a governor's initiative, carried by Sen. John Hottinger

(DFL-Mankato), that makes retired state employees eligible to participate in the long-term care insurance plan implemented by the Department of Employee Relations. Hottinger clarified that there is no fiscal impact with the bill because the coverage is paid for by enrollees. The bill was recommended for the Consent Calendar.

### Stadium proposal heard

A bill introduced in the Senate lays out a detailed plan for a new professional baseball stadium in the Metro Area. Sen. Jim Vickerman (DFL-Tracy), chair of the State and Local Government Operations Committee, reconvened members Thursday evening, Mar. 22, to hear a presentation of the bill, S.F. 1857, by Sen. Dean Johnson (DFL-Willmar) and Sen. Roy Terwilliger (R-Edina).

Johnson encouraged those who have opposed stadium proposals in the past to look closely at the bill. He said the use of public money outlined in the plan does



Senators Jane Krentz (DFL-May Township), left, and Twyla Ring (DFL-North Branch) fill their plates during the second annual Senate potluck luncheon in the Great Hall of the Capitol Mon., Mar. 26.

Photo by David J. Oakes

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not involve raising taxes and includes a number of important conditions, including reform of Major League Baseball, significant private investment, and specifications for site construction and use. Of the \$300 million projected cost for the proposed stadium, Johnson said, \$250 million is ultimately guaranteed by the Twins. Terwilliger said people of all ages from all parts of the state have an improved quality of life because of the presence of professional baseball.

The bill was supported by representatives of the Twins, the city of Minneapolis, the city of St. Paul, the Minneapolis Downtown Council, a citizens group called Minnesotans for Major League Baseball, and the AFL-CIO. All said the Twins are an asset to Minnesota and echoed calls for the reform of business aspects of baseball and for a significant private investment to lessen the public money involved. Minneapolis Mayor Sharon Sayles Belton and Council Member Paul Ostroff said Minneapolis has an ideal downtown location for a ballpark. St. Paul Vice Mayor Susan Kimberly said a ballpark would be a great source of vitalization for her city, adding that the city's separate plans to attract a ballpark are being put on hold in order to focus support on the Senate bill. Johnson highlighted the ways in which the legislation addresses many of the issues of concern by groups and organizations.

As for the reform of baseball, the bill specifies that, before anything in the legislation takes effect, Major League Baseball must improve its revenue sharing policy. Twins executive Jerry Bell highlighted the findings of a Blue Ribbon Panel that studied baseball and recommends a number of changes to make teams viable in smaller markets. Under the bill, a three-judge panel appointed by the governor must determine if any future decision ratified by Major League Baseball sufficiently addresses issues that will make a team and a new stadium viable in Minnesota. The bill also requires the team to sign a 30-year lease on the ballpark, if built.

Johnson also outlines the creation of a revolving fund for the stadium plan. The bill specifies that the Twins and/or other private investors must contribute \$150 million up front toward construction. Another \$100 million is to be lent by the state from a surplus in the workers' compensation assigned risk pool, which

Johnson said is currently \$102 million. According to Senate Counsel, an unrelated use of surplus money in the pool is currently being challenged in court, but the allocation involved, unlike the stadium money, is not to be reimbursed.

The bill specifies that the Twins have 20 years interest-free to pay back the \$100 million loan. The remaining \$50 million in construction costs are covered by a sales tax exemption on construction materials (\$10 million) and a bond reimbursed through the revolving fund with loan payments from the Xcel Energy Center (\$40 million). The bill specifies that construction cost overruns must be covered by the Twins and prevailing wages must be paid for construction. In addition, use of the stadium by universities and high school leagues is called for in the bill. In return, the stadium will continue to be a tax free zone for up to 20 years, including an exemption from property tax and the sales tax on tickets, food, parking and other retail sales at the park.

Lastly, the bill lays out the process whereby a site for the park is to be determined. Bids are to be submitted by interested Metro Area governments to a nine-member panel consisting of the director of the Strategic and Long Range Planning Office and a gubernatorial appointee from each of the state's eight congressional districts. Contents of the proposals and time frames for the decision are specified in the bill. Representatives at the meeting from Minneapolis and St. Paul said the process is a good one so long as it does not, in Kimberly's words, degenerate into a bidding war that benefits baseball at the expense of relations among the cities.

Sen. Lawrence Pogemiller (DFL-Mpls.) asked why Johnson and Terwilliger were introducing the bill now, in this session. Both Senators said they recognized many issues that are of a higher priority for both caucuses. Johnson said that, since they had a bill that might satisfy all parties, they thought the legislation should be introduced now. He asked the committee members to take it back to the people of their districts and "tell the folks what the facts are...without judgment one way or another." No formal action was taken on the bill.

## **Metro transportation board okayed**

Members of the State and Local Government Operations Committee met Tues., Mar. 27, to hear a variety of bills as

the first committee deadline approached. Among the bills heard was S.F. 1165, authored by Sen. Dave Johnson (DFL-Bloomington).

The measure addresses long-term transportation funding needs in the Metro Area, Johnson said. Over the course of about 15 years, he said, it provides \$800 million in annual transportation funding. The bill creates a metropolitan transportation improvement board that would, after a referendum in the seven-county Metro Area, levy a half-percent sales tax. Under the bill, revenue from the tax is funneled through the board to MNDOT and the Metropolitan Council. The plan, Johnson said, is to complete 25 years worth of road projects in about 13 to 15 years. It also, he said, frees up \$1.1 billion to fund projects that are not even on the drawing board. The improvement board created by the bill will be authorized to complete only those projects already given preliminary approval by the Met Council, Johnson said.

Co-author Roy Terwilliger (R-Edina) said the half percent sales tax increase represents a relatively small sum to most Metro Area residents. However, he said, the measure gives people the right to make decisions about transportation improvements near their homes. The measure, Terwilliger noted, is not intended as a permanent solution to congestion problems. It does, he said, prevent congestion from getting worse. Johnson also explained that the bill does not use the taxing authority of the Met Council in order to prevent the creation of a continuing bureaucracy. Johnson also stressed that he wanted Metro Area residents to vote on the tax increase, not have it imposed upon them.

The bill was re-referred to the Finance Committee with a recommendation to pass.

Members also considered S.F. 1953, carried by Sen. Myron Orfield (DFL-Mpls.). The bill provides for the appointment of the members of the Board of Water and Soil Conservation in Hennepin County by the county commission. Currently, the board's members are elected. Hennepin County Commissioner Mike Opat said most citizens in the county don't know the board members. Allowing the county commission to appoint the board members will increase efficiency and accountability, he said. Board member Karen Johnson said the entire board

supports the measure. However, fellow board member Lee Harod said she did not know the bill provides for immediate replacement of the current board members when she voted to support the legislation. After several members of the committee raised concerns about nullifying elections and denying elected officials their full terms, Orfield agreed to consult with all of the board members about the provision before the legislation reaches the floor. The bill was re-referred to the Environment and Natural Resources Committee without recommendation.

S.F. 1507, presented by Sen. Dave Knutson (R-Burnsville), modifies provisions regarding state procurement. The bill especially targets organizational conflict of interest. The bill was approved and referred to the floor.

Sen. Charles Wiger (DFL-North St. Paul) offered S.F. 1432. The bill authorizes the administration of police civil service exams during the two-year register and the placement of applicants passing a later exam in the register in the order of their standing. Currently, Wiger said, exams are given only every two years. People on the register are finding other jobs, he said. The bill is intended, according to Wiger, to provide more flexibility in the hiring process. The bill was approved and referred to the floor.

S.F. 1098, carried by Sen. Edward Oliver (R-Deephaven), codifies the governor's executive order transferring duties of the Dept. of Public Service to the Dept. of Commerce. The order was issued in September 1999. The measure was approved and referred to the floor.

Addressing issues that arose during a recent attempt to split Pine County into two counties, Sen. Becky Lourey (DFL-Kerrick) presented S.F. 1367. While the referendum to sever a portion of the county failed, she said, problems with existing law were discovered. The bill was re-referred to the Committee on Rules and Administration with a recommendation to pass.

S.F. 1558, authored by Sen. Linda Higgins (DFL-Mpls.), directs the Met Council to implement a growth cost system for assessing service availability charges for treatment and interceptor facilities. Currently the charges are calculated on a reserve capacity system. Higgins said the current system imposes system growth costs on already developed cities. The bill was approved and sent to the floor.

Sen. Leonard Price (DFL-Woodbury) offered S.F. 1435. The proposal requires members of the Designer Selection Board to abstain from participation in a selection process when they have a financial interest in a candidate. Current law prohibits the board from selecting a designer or firm in which a member of the board has an interest. Price said the result has been a severe limit on both designers involved in projects and designers seeking board membership. The bill was approved and recommended for the Consent Calendar.

The Dept. of Administration housekeeping bill, S.F. 1680, was offered by Sen. Martha Robertson (R-Minnetonka). The measure was sent to the floor with a recommendation to pass.

Committee Chair Jim Vickerman (DFL-Tracy) presented S.F. 1707, which expands the definition of public safety officer for officers' survivor benefits eligibility purposes. The bill was approved and sent to the floor.

Robertson also carried S.F. 1895. The bill permits the Office of Technology of the Dept. of Administration to solicit and accept advertising revenue. Revenue would be funneled into the technology enterprise fund, said Debra Bean, Office of Technology. Orfield questioned the probability of the state denying some advertisers space in the office's publications and possible First Amendment litigation that could arise. Others raised concerns about mixing public information with paid advertisements and putting the state into direct competition with newspapers and other media that already accept paid ads. No action was taken on the bill.

### **Treasurer duties shifted**

Members of the State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Weds., Mar. 28, to hear 12 bills. Among them was a bill to transfer the duties of the state treasurer to the state auditor.

Sen. Ann Rest (DFL-New Hope) presented S.F. 891, the duty transfer bill. She said that three state officials—the commissioner of finance, secretary of state and state treasurer—agreed the duties should all be transferred to one person. However, the three were not able to concur on where the duties should go, Rest said. The state treasurer, she said, recommended transferring the duties to the Office of the State Auditor. The commis-

sioner of finance recommended the Dept. of Finance and the secretary of state recommended the State Board of Investment, Rest said. State Treasurer Carol Johnson said the Dept. of Finance is already responsible for budgeting and accounting functions. Johnson also said that the same pair of eyes should not follow the state's money through all processes, but that one hand of the state should check another. Representatives of the Dept. of Finance and Office of the Secretary of State presented rationales for placing the duties in another office. The bill was recommended to pass and referred to the floor.

S.F. 1449, authored by Sen. John Hottinger (DFL-Mankato), amends provisions of the Community-Based Planning Act of 1997. The act has a sunset date of June 30, 2001. The bill extends several features of the act—such as public participation, intergovernmental coordination, state and local partnerships, an attempt to define urban growth boundaries and planning goals—past the sunset date. The bill was approved and referred to the floor.

Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 1438, a housekeeping bill recommended by the Legislative Coordinating Commission Subcommittee on Employee Relations. The bill affects agency head salaries, donation of vacation leave hours by members of the state law enforcement bargaining unit, MnSCU administrative employment contracts and compensation. The bill was approved and sent to the floor.

S.F. 1825 establishes a technology enterprise fund to cover enterprise-wide technology projects and citizen telecommunications access. The measure, offered by Sen. Steve Kelley (DFL-Hopkins), also establishes an advisory Technology Enterprise Board. The bill was re-referred to the Committee on Rules and Administration with a recommendation to pass.

Kelley also offered S.F. 1437, a bill to adjust the compensation cap for local units of government. Under current law, local government employees cannot receive compensation—including elements other than salary—in excess of 95 percent of the governor's salary—not including non-salary benefits. The bill adjusts the formula to limit local government employees total compensation at 125 percent of the governor's salary. It also streamlines the process by which local units can petition

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the state for a waiver of the cap. The bill was approved and sent to the floor.

S.F. 1105, authored by Sen. Jane Krentz (DFL-May Township), sets out requirements for salt distribution stockpiles. The bill applies to the storage of more than 100 tons of salt at one site. Individuals must comply by July 1, 2002 and towns must comply by Sept. 1, 2003. The bill was approved and sent to the floor.

Sen. Dan Stevens (R-Mora) offered S.F. 1894, a Dept. of Administration housekeeping measure. The bill was sent to the floor with a recommendation to pass.

A bill to authorize the use of 911 fees to help local governmental units provide emergency telephone services in the Metro Area was carried by Sen. Don Betzold (DFL-Fridley). The proposal, S.F. 1648, was approved and sent to the floor.

Rest also offered S.F. 1915. The bill synchronizes deadlines regarding charitable organization reporting requirements with the state attorney general and the federal government. The bill was approved and sent to the floor.

Sen. Richard Cohen (DFL-St. Paul) carried S.F. 1746. The bill authorizes the Dept. of Administration, the University of Minnesota and MnSCU to use design-build and contractor preselect contracts for building projects. The bill was approved and re-referred to the Capital Investment Committee.

A housekeeping bill from the Dept. of Employee Relations, S.F. 1622, was offered by Sen. Julie Sabo (DFL-Mpls.). The measure was approved and sent to the floor.

Cohen also offered S.F. 1688. The bill assigns administration of the state employee combined charities campaign to the Dept. of Employee Relations. The bill was approved and re-referred to the Finance Committee.

## State Government, Economic Development and the Judiciary Budget Division

### DOR completes request

The Thurs., Mar. 22, meeting of the State Government, Economic Development and the Judiciary Budget Division gave the Department of Revenue the

opportunity to wrap up the department's budget presentation.

Picking up where she left off at the end of the Weds., Mar. 21, meeting, Bev Driscoll from the department discussed three final aspects of the department's budget. First, Driscoll gave a brief report on developments in electronic government services. She said that, starting July 1 of this year, all businesses around the state will be expected to file sales taxes either by phone or over the Internet. Electronic payments can accompany online filings, she said, or they can still be made by check.

Next, Driscoll discussed underpayment of taxes and said the department is requesting additional funding to expand efforts at encouraging compliance. She said income tax collection in the state currently shows a gap of \$882 million, 57 percent of which is estimated to be under-reported income. Another third of the gap, she said, is caused by individuals and businesses that simply do not file. A \$347 million tax gap in sales and use tax, she said, is due primarily to businesses that are not from the state but that do business here. Driscoll said the department plans to pursue 5,000 out-of-state companies that are currently avoiding sales tax payments.

She said with the \$2.2 million request, the department projects a retrieval of approximately \$20 million in all kinds of taxes that otherwise would not have been collected. Sen. Richard Cohen (DFL-St. Paul), chair of the division, noted that \$20 million is a small portion of the total estimated gap and asked if a larger effort should be made. Driscoll said that, since it is a new initiative, the department wants to only start out with the \$2.2 million request to see what kind of return the effort can generate.

The final area presented by Driscoll is the Accounts Receivable Division of the department. She described collections activity and efforts made for "revenue recapture," which is a process whereby a wide variety of individual public debts are deducted from moneys paid out by the state, such as tax refunds or lottery winnings. A change item for this aspect of the budget request shows a decrease of \$413,000 in base funding. Driscoll said the department wants to retain \$2.55 of the \$10 fee paid by state agencies that use DOR to recapture money owed.

She said as the offset and fees rise, the increased revenue to the department will

cover the cost of providing the service. She said department leadership considered asking for a budget increase to pay for rising revenue recapture activity, but decided to request the option to handle it through offsets from agencies instead.

### Funding bills begin

The State Government, Economic Development and the Judiciary Budget Division met Tues., Mar 27, to conclude the budget hearing for the courts and to begin considering appropriations bills. No action was taken on any of the bills.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 105, a bill that appropriates \$1 million a year to fund the Computers for Schools program. The program, created by the Minnesota High Technology Foundation, provides training for state prisoners as they learn to recondition and update discarded computers, which are then given to schools. Kelly said the request, which specifies a 1-to-1 match of private funds, allows the foundation to bring 40 to 60 additional inmates into the program.

Jon Scholten, a teacher at Como Park Senior High, said the program helps students, saves education dollars and helps the environment. Kale Hedstrom, a parent and electrical engineer, said an immense opportunity exists in the coming years as businesses replace and discard first-generation Pentium-based computers. Sen. David Knutson (R-Burnsville) asked how inmates refinishing the computers are compensated. Program representative Dave Kettering said the workers start at 25 cents an hour and get raises to a maximum of \$1. Sen. Ellen Anderson (DFL-St. Paul) asked how many computers the \$1 million will fund. Kettering said that, with the private match, the program can do over 17,000 units annually.

The division next heard S.F. 1525, authored by Sen. Arlene Lesewski (R-Marshall). The bill appropriates \$10 million to the Department of Trade and Economic Development to be used on a matching basis with local governments for public service facilities in Greater Minnesota. Sen. Richard Cohen (DFL-St. Paul), division chair, asked if the appropriation is more appropriate for consideration as a bonding bill next year. Lesewski said there is an urgent need in her district for funding this year. Cohen said it might be appropriate for the Senate to draft a moderately sized odd-year bonding bill.



Another bill Cohen said might be appropriate for a bonding bill this session is S.F. 911. Chief Author Michele Bachmann (R-Stillwater) brought the bill before the committee. The bill appropriates money to replace a state storm sewer for Stillwater Prison. Bachmann said a failure of the 93-year old system causes flooding in the creek that runs through residential and commercial areas of Bayport.

Sen. David Johnson (DFL-Bloomington) asked if the sewer should be funded through the budget division pertaining to corrections. Ken Hartung of the City of Bayport said the old sewer is not owned by the Department of Corrections, but by the Department of Administration.

He added that the "prison pond" involved actually belongs to the Department of Natural Resources. Bachmann said in any case the sewer is entirely the state's responsibility, adding that the city of Bayport is not connected to the existing sewer and will not have connection with the replacement system.

The final bill heard by the division is S.F. 1075, authored by Johnson, which appropriates \$12 million to the Department of Trade and Economic Development for the Minnesota Investment Fund. Johnson said the funding, which represents a \$4 million increase over the base request in the governor's budget, helps to maintain and create new employment opportunities. Mark Vahlsing from Chisago County said the fund is the only program that gives local governments enough flexibility to compete with aggressive development initiatives in neighboring states.

In other matters before the division, concluding budget presentations by representatives of the courts focused on change requests for the Court of Appeals and the Supreme Court. Judge Tom Kaltowski said the Court of Appeals is requesting, in addition to compensation increases, two staff attorneys and two and a half additional positions for law clerks. He said that, even with the increases, staffing will only reach the level it was at a decade ago.

Cohen said the original statutory requirement for the Court is one judge for every 100 annual filings. Kaltowski said that, although the request does not include any new judges, there are currently 16 judges hearing an annual caseload that totals about 2,200 filings.

State Court Administrator Sue Dosal presented budget requests for the Supreme Court and other areas that fall immediately under its purview, including the CriMNet technology initiative and the state law library. Dosal said the principal change items for the Supreme Court, as with other courts, address staffing and compensation. The Supreme Court itself requests increased compensation and additional funding for Westlaw research capabilities. Many administrative staffing needs are created by the transition of District Courts to state funding, Dosal said. The request includes funding for new positions in human resources, accounting, court services, continuing education, communications, and court interpreter certification and coordination.

Information Technology Director Bill Good said the Supreme Court's portion of the CriMNet project is the Minnesota Court Information System (MNCIS), funding for which is allocated through the Department of Administration. Marvin Anderson from the state law library said runaway costs in law publishing have drastically reduced the library's capacity to keep pace with current books and publications. He said the library needs to add \$221,000 to its base funding per biennium to cover access to basic resources.

## Taxes

### Budget resolution approved

Members of the Tax Committee met Tues., Mar. 27, to adopt a resolution setting limits on limits on general fund revenues and expenditures for the FY 02-03 biennium. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) also heard a bill regarding a sales tax rebate.

Pogemiller explained the resolution to the committee members, saying its path takes the resolution from the Tax Committee to the Finance Committee and then to the floor, if the Finance Committee does not change it. If the Finance Committee changes the bill, he said, it is referred to the Committee on Rules and Administration. The resolution sets the maximum limit on general fund revenues at \$26.502 billion and sets the maximum limit for general fund net appropriations at the same amount.

The resolution also specifies that \$350 million be set aside as a cash flow account and \$662 million be set aside as a

budget reserve. Pogemiller said the Senate's budget reserve is about \$97 million less than the reserve proposed by the governor.

Sen. William Belanger (R-Bloomington) offered an amendment to reduce the limits to \$25.872 billion. Thus, he said, the amendment provides an additional \$630 million in tax relief. Sen. Steve Kelley (DFL-Hopkins) said the amendment makes it difficult for the Senate to find additional dollars needed for higher education. Belanger replied that his amendment still provides for about \$715 million in additional spending. The amendment failed on a roll call vote, 8-16.

The resolution was adopted and referred to the Finance Committee.

Sen. David Kleis (R-St. Cloud) presented S.F. 1759, a bill that provides for payment of a sales tax rebate, establishes a procedure for payment of an automatic rebate in future years and provides for the transfer of unclaimed rebate funds to be used for education. Kleis said individual Minnesotans should decide how to spend the surplus. Even if everyone cashed their rebate checks, he said, the bill still provides \$5.8 million for education. The money, at whatever amount, he said, will be split among the state's school districts on a per-pupil-unit basis.

Sen. Roger Moe (DFL-Erskine) said the measure feels like it is offering crumbs for education. He said taxpayers would do better to cash their rebate checks and make a charitable donation to school districts. The donation, he noted, could be targeted to a specific district and would be deductible from federal income taxes. Sen. Ann Rest (DFL-New Hope) said the bill treats schools as charities that get the state's leftovers. Kleis disagreed with the characterizations of his bill, saying districts could use the money for one-time projects beyond the scope of their operating budgets.

Saying her organization opposes the bill, Cheryl Furrer of Education Minnesota called the measure a very unstable way of funding schools. The real issue, she said, is the huge surplus juxtaposed against the devastating education budget proposed by the governor. Almost 75 percent of districts will see a net revenue decrease over the biennium, Furrer said. "We're in a fight to get basic inflationary increases with the governor's budget," she said. Bob Meeks, Minnesota School Boards Associa-

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tion, said the measure is unfair in spreading unclaimed rebate funds around the state. People who don't cash their checks want their money spent in their local schools, he said.

Sen. Leroy Stumpf (DFL-Thief River Falls) offered an amendment to fund deferred maintenance and technology one-time aid for schools from a portion of the surplus, reducing the rebate by about 25 percent. The amendment was adopted 17-6.

The bill was laid over at the author's request.

## Property Tax Budget Division

### Bills considered

Members of the Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), met Weds., Mar. 28, to hear several bills. The proposals were laid over for consideration in the omnibus tax bill.

Sen. Roger Moe (DFL-Erskine) offered three bills. S.F. 1048 provides a property tax exemption to low and moderate income housing that is owned by a tribal housing authority and located within an Indian reservation. Under the bill, the property is required to make payments in lieu of taxes based on five percent of the sheltered rent. S.F. 1384 exempts the first \$100,000 of market value for property owned by a non-profit organization formed to accumulate, restore, exhibit, display and preserve agricultural and related artifacts and memorabilia.

S.F. 581 revises the inflation adjustment for natural resources lands so that payments in lieu of taxes are indexed from 1980. The bill also adds land utilization project properties to the acquired natural resources land category. The properties are currently classified as other natural resources land and subject to lower payments in lieu of taxes.

S.F. 1491, authored by Sen. Dick Day (R-Owatonna), exempts property owned by a nonprofit organization if the property is used for educational interpretation of the past, present or future of Minnesota agriculture.

Sen. Keith Langseth (DFL-Glyndon) carried S.F. 1319, a bill to extend the maximum distance of a farm residence from noncontiguous agricultural property.

The measure extends the limit from four townships or cities to eight.

Sen. Sandra Pappas (DFL-St. Paul) offered three bills. S.F. 139 increases the renter's credit from 19 percent of gross rent to 28 percent of gross rent. S.F. 1442 lowers the class rate on the first \$76,000 of market value per unit of rental property to one percent. HACA is adjusted to reflect the class rate reduction, under the bill. S.F. 1692 clarifies the tax exempt status of city-owned parking facilities. The measure provides that facilities are exempt even if they are leased by a private facility operator.

Sen. Dallas Sams (DFL-Staples) presented S.F. 1423. The measure adjusts class rates on commercial-industrial property to 1.65 percent for the first \$500,000 of market value and 3.4 percent for all excess market value. The bill also adjusts HACA to compensate for the reduction in class rates.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) presented two bills. S.F. 1029 provides a special valuation process for homestead resorts based solely on the property's value as a homestead resort rather than in light of potentially higher development value. The provision is similar to the Green Acres law for agricultural property, Kinkel said. S.F. 1259 provides tax incentives to maintain undeveloped lakeshore land.

S.F. 1731, authored by Sen. Debbie Johnson (R-Ham Lake), sets class rates at 2 percent for the first \$150,000 of market value and 3 percent for excess market value for commercial-industrial properties and 2 percent for apartments. The bill also makes homestead properties, up to one acre, eligible for a credit against net taxes of 100 percent of the general purpose education levies up to \$475. The bill specifies that farm homestead land is eligible for a credit of 75 percent and non-homestead agricultural land and timberland is eligible for a credit of 68 percent of the levies.

## Telecommunications, Energy and Utilities

### Energy plan discussed

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Mar. 22, to discuss S.F. 722, a bill carried by Metzen.

Members heard testimony from representatives of the energy industry concerning an author's amendment related to conservation, renewables and taxation. The amendment specifies that beginning in 2005, at least one percent of the electric energy produced by providers must be generated by renewable energy technologies and that amount must be increased by one percent each year until 2015. Deputy Commerce Commissioner Linda Taylor said she thought the percentage goals were workable. However, the department's first choice, said Taylor, was to support private, independent utilities in producing renewables, rather than mandating public utilities to do so. She said the compromise outlined in the amendment provides audits, subsidies and reconditioning that utilities are subject to. Taylor said she would like the final bill to include goals related to plant emissions, fuel assistance and streamlined routing of energy.

Center for Energy Executive Director Sheldon Strom said that the utilities have done a good job of producing inexpensive energy, which is why consumers learned to be wasteful. Load management is what utilities do naturally, without the need for incentives, he added. What the bill does well, he said, is to establish goals. He said the annual energy savings requirement of at least 150 megawatts of energy per utility was a reasonable goal.

Sen. Kenric Schveevel (R-Preston) said he thought it made more sense to let the marketplace regulate to maximize efficiencies. Strom said that the way utilities maximize revenues is to maximize sales, adding, "There is no natural incentive to save energy; there are only incentives to shift and manage loads to meet demands efficiently."

Several industry representatives underscored the point that utilities are already doing a good job of efficiently producing electricity and making reasonable investments in renewables. Reliant Energy/Minnegasco spokesperson Angie Kline said the company is already spending twice the amount required by current law. She said that when gross operating revenues go up, conservation incentives increase.

Speaking for Great River Energy, Rick Lancaster said he could not endorse the renewable portfolio portion of the amendment because the provisions are too burdensome for cooperatives that do not have unlimited funds.

Xcel Energy spokesman Kevin Lawless said that in terms of the renewable provisions, mandates are not the best approach. He said a new investment in transmission systems had not been addressed and that he endorsed the property tax exemption issue.

Metzen said there was clearly more work to do on the measure. No action was taken on the amendment and the bill was laid over for further discussion.

## Telecom bills debated

Five bills related to telecommunications services were discussed at the Tues., Mar. 27, meeting of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul).

Sen. Jim Vickerman (DFL-Tracy) presented S.F. 375, a bill that appropriates \$400,000 to provide a grant to Independent School District No. 2884, Red Rock Central, to expand broadband Internet access in an area unlikely to receive wireless broadband access. Vickerman said the appropriation is for capital expenditures, such as equipment and construction costs, planning, engineering and preliminary design needed for providing access to business and residences.

Vickerman told members that the bill creates a pilot program for expanding wireless service to outlying areas of the state. Sen. Dallas Sams (DFL-Staples) said the initiative could become a revolving fund program to provide service to additional districts. Members approved the bill and referred it to the Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) carried S.F. 1796, a measure to clarify provisions of cable communications access. Kelly said the issue addressed in the bill was brought to him by PrivCom, a St. Paul cable business. Under the bill, cable access to multiple unit dwellings is provided for subsequent and competing cable communications service providers in order to ensure choice of cable providers to residents. Problems have arisen, said Kelly, when incumbent cable providers who have cable lines and equipment installed in buildings refuse to allow other providers to access their installations.

The Cable Association's spokesperson, Mike Martin, said there is no such thing as exclusive access and that in some complexes cable companies own cable wiring and in others the building owners

own cable wiring. "This bill involves the state in negotiations between private entities," he said.

Sen. Steve Kelley (DFL-Hopkins) said that in 1983 the cable companies came to the Legislature asking for access to buildings. "We agreed to allow access, providing that incumbents install, equip and provide access to alternative service plans," he said.

An amendment was suggested by the Minnesota Housing Association to provide nonexclusive cable and satellite access to a property owner's multiple dwelling complex. A provision requires that an incumbent cable company or other provider must allow use of all equipment in a multiple dwelling complex, whether the incumbent has an easement or is granted entry by contract. The amendment further states that if the equipment is owned by an incumbent company, the company is entitled to reasonable reimbursement. The amendment, which was adopted, requires that providers get access permission from tenants as well as property owners. The bill was approved and referred to the floor.

Kelley presented S.F. 1446, a bill that modifies provisions related to telecommunications services purchasing cooperatives. A portion of the bill requires that advanced telecommunications services be purchased in order to obtain voice service through a purchasing cooperative. Under the bill, cooperatives may purchase different levels of service for differentiated classes of members. A provision also allows state agencies to be members of purchasing cooperatives. The bill was recommended to pass and was referred to the floor.

Sen. Douglas Johnson (DFL-Tower) authored S.F. 446, a measure authorizing the commissioner of administration to enter into agreements with commercial wireless service providers to install privately owned equipment on state-owned lands, buildings and other structures. Johnson said the measure addresses placement of the increasing number of radio towers across the landscape that don't visually fit into the environment, particularly in the northern portion of the state. He said the bill reduces damage to the landscape by making use of existing structures and diminishes the impact on migratory bird routes. The bill specifies that the commissioner must charge a site use fee for the value of the property or structure made available, or may make

other transfer arrangements and agreements. An amendment was adopted to exclude state property that is trunk highway right-of-way or state-owned land, buildings or structures under the jurisdiction of the commissioner of transportation, or property administered by the commissioner of natural resources. The bill was approved and referred to the floor.

Sen. Steve Murphy (DFL-Red Wing) carried S.F. 1821, a measure that creates new provisions governing utility facilities crossing or running parallel to railroad right-of-ways. Under the bill, when utilities cross a railroad right-of-way, the utility is required to pay the railroad \$500, which is a one-time payment in lieu of license fees. Other provisions detail reimbursements to the railroad for facilities constructed within right-of-ways. The bill prohibits the railroad from imposing conditions on the construction of utility facilities beyond state code, or requiring the utility to purchase liability insurance.

John Bergene and David Drach, representing Canadian Pacific Railway, opposed the permanent grant and other portions of the bill that allow utility providers perpetual rights to construct, operate, maintain, use, rebuild or reconstruct within railroad right-of-ways. Bergene said he objected to safety, fairness and necessity issues provided in the bill. "In Minnesota, the railroad paid for railroad land," he said. The bill was laid over for further consideration.

## Tenant utility charges debated

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), heard bills related to the utilities industry and utility billing Tues., Mar. 27.

Sen. Steve Murphy (DFL-Red Wing) carried S.F. 1821, which regulates utility facilities that cross or run parallel to railroad right-of-ways. The bill provides for a one-time \$500 fee for each crossing, and a \$5 per foot fee, not to exceed \$2,000, for parallel sites. The fees provide the utility with perpetual access to the right-of-way.

Railroad representatives testified against the bill. Bill Drusch, president of the Minnesota Regional Railroad Association, said the bill interferes with the years-old process of negotiations between railroads and utilities. Under the bill, the railroad receives a one-time payment for an ongoing cost, he said. He also men-

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tioned the danger that railroad accidents will damage utility facilities running parallel to a track.

Representatives of ATT, Qwest, and Sprint testified in support of the bill. Phyllis Harvin, speaking for Qwest, said there have been instances of unreasonable and unfair pricing on the part of railroad companies. The bill makes prices more predictable, she said. Metzen suggested that the bill be laid over to give the two sides a chance to work out differences. Murphy agreed to facilitate a compromise.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 1092, which relates to tenant utility billing in situations where a multi-unit building has only one meter. Minneapolis attorney Paul Birnberg explained that some landlords use a Residential Utility Billing Service (RUBS), in which tenants are billed separately for their evenly divided share of the utility bill, and are often assessed an additional service charge by the billing company. The bill repeals language allowing the practice.

Birnberg said the RUBS system is unfair since individual tenants have little or no control over total heat and water usage. The program has not been shown to promote energy conservation, he said. Sub-metering, he said, is the ideal situation. Jack Horner, representing the Multi-Housing Association, said RUBS is a good approximation in situations where sub-meters have not been installed.

Higgins offered an amendment prohibiting only the practice of collecting an administrative charge for separate utility billing. The amendment was adopted, but the bill was defeated on a 5-5 vote.

Finally, members heard S.F. 1246, authored by Sen. Satveer Chaudhary (DFL-Fridley). The bill provides that the owner of a manufactured home park may not collect more for utility service provided to residents than the actual amount billed by the utility. Current law, said Chaudhary, allows the owner to charge residents the amount they would pay if they were individual clients of the utility.

Ron Elwood of Legal Services testified for the bill, saying that utility costs should be administered on a straight pass-through basis. Administrative costs, he said, should be reflected in the rental price. Jeff Bonner spoke for the Minnesota Manufactured Housing Association,

pointing out that everyone pays a service fee for utilities. Sen. Dennis Frederickson (R-New Ulm) contended the fee direct customer pay to a utility allows them to access benefits such as payment plans or energy assistance. The bill was approved and sent to the floor.

## Transportation

### Metro area .05 sales tax heard

A bill requesting a temporary increase in the Metro Area sales tax and general sales tax was heard by the Transportation committee Thurs., Mar. 22. The bill provides an opportunity for the seven county Metro Area voters to temporarily raise sales taxes by .05 percent. Revenue generated from the increase is dedicated to Metro Area transportation needs, excluding rail.

Sen. Dave Johnson (DFL-Bloomington) and Sen. Roy Terwilliger (R-Edina), authors of S.F. 1165, presented the bill. Johnson said the sales tax amendment will be on the ballot in the 2001 election. He said voters can determine if they want additional funding for Metro Area transportation needs. Revenues from the increase are expected to raise \$2.5 billion over the next 10 to 12 years, at least \$220 million per year. Johnson said the tax increase provides for metro road system replacement, improvement, and maintenance. He said bottleneck removal projects and some metropolitan system highway expansion projects are also included.

Additionally, he said, the counties of Anoka, Carver, Dakota, Scott and Washington receive up to \$20 million per year each for acquisition of buses, highway shoulder improvement for buses, and other capital expenses related to the metropolitan area bus system, under the bill. "The bill frees up \$1.1 billion for additional projects and advances the Met Council's 25-year road plan by 10 to 12 years." The remaining \$2.2 billion will fund MNDOT's list of metro construction projects, he said.

Sen. Sandra Pappas (DFL-St. Paul), said, "You have put a \$20 million ceiling on counties and I would be more comfortable with a floor." She suggested a wording change which would amend the bill to read "...and Washington receive at least \$20 million per year..." The amendment was adopted.

Johnson said 80 percent of the state's road growth is in the Metro Area and \$15 billion is needed over the next 20 years to complete road projects. He said the temporary tax increase will not be the total answer to Metro Area road funding needs, but it is a beginning. S.F. 1165 was approved and re-referred to State and Local Government Operations committee.

S.F. 1598 was presented by Sen. Grace Schwab (R-Albert Lea). The bill repeals handlebar height restrictions for motorcycles and motorized bicycles. Ray Egan, from the Minnesota Motorcycle Riders Association said there are no safety facts relating to handlebar height. He said, "There is no clear advantage to higher handlebar height, it's just a matter of personal preference." Major Gene Halvorsen, from the Minnesota State Troopers, said, "We don't have any problem with this bill." The bill was approved and sent to the floor.

Sen. Randy Kelly (DFL-St. Paul), committee chair, authored S.F. 1410, a bill providing for lifetime registration of light utility trailers. He said the bill streamlines licensing for utility trailers that are 3,000 pounds and under, and makes it more user-friendly by providing a life time registration. Presently, he said, trailer owners must renew registrations every two years. The bill was approved and re-referred to the Finance committee.

Sen. Steve Murphy (DFL-Red Wing) presented S.F. 1697, a bill authorizing local units of government to establish "quiet zones," in which audible locomotive warning devices are regulated and prohibited. The bill requires all quiet zones be subject to federal law and regulation and does not change requirements for crossing barriers and audible warnings.

John Apitz, a representative from the Minnesota Regional Rail Road Association, said, "We hope this bill will solve a lot of consternation on this issue." He said the committee may want to consider a grandfather clause for cities that already have quiet zones in place because the cost to install the barriers is quite expensive. Currently, there are 164 crossing that are designated as quiet zones and upgrades would be necessary on all of them, he said. Al Vogel, Office of Freight director for MNDOT's railroads and waterways, said, "I am concerned about cities like St. Paul and Minneapolis, who have many crossings, being able to afford this require-

ment.” Further, he said, the effects of the bill do not apply until there are Federal rules and laws in place as a result of a meeting scheduled to take place this Spring. The bill was laid over.

Murphy also authored S.F. 1498, a bill that modifies restrictions on the funds in disaster accounts of county state-aid highway fund and municipal state aid street fund, transfers authority for grants, to highway safety center, to the commissioner of public safety and modifies state rail bank lease provisions. The effective date of the bill was amended to July 1, 2001 and the amendment was adopted. S.F. 1498 was approved and sent to the floor.

S.F. 1599 was presented by Sen. Satveer Chaudhary (DFL-Fridley). He said the bill authorizes the use of wheelchair-accessible vehicles by taxicab services in the Metro Area. Natalio Diaz, from the Metropolitan Council, said the bill offers flexibility and provides for two requirements. Taxi services providing wheel-chair accessible services must be licensed and criminal background checks must be completed on drivers.

Sen. Randy Kelly (DFL-St. Paul) asked if background checks on wheelchair accessible carrier drivers is required state-wide or if the bill provides a new provision. Diaz said that generally people with disabilities are transported by special transport services and those drivers are required to have background checks. “We are not deviating from the norm in this type of service,” said Diaz. S.F. 1599 was okayed and sent to the floor.

## Bill on bids heard

The Transportation Committee met Tues., Mar. 27, and heard bills that affect highway construction bids, reinstatement of driving privileges, bridge feasibility studies and license checks for school bus drivers.

Sen. David Johnson (DFL-Bloomington) authored S.F. 947, which loosens the requirements for bids on public work. “The main thrust of the bill,” he said, “is to eliminate the administrative burdens that slow down the construction process and to speed up the delivery.”

Ken Allen, assistant commissioner of the Department of Transportation (MNDOT), said, “The bill doesn’t just apply to transportation projects, but to all state procurement.” The committee adopted an amendment that limited the bill’s scope to transportation projects.

The bill requires public bidding for acquisitions and professional and technical services that have estimated costs of more than \$100,000. Paul Stembler from the Department of Administration said the average cost of a project is about \$300,000. Sen. Mady Reiter (R-Shoreview) said, “Maybe \$100,000 is too low, may it should be brought up to \$200,000 or \$250,000 if that is where the bulk of work is.”

Betsy Parker from MNDOT said, based on the projects the Department of Administration oversaw in 2000, 242 contracts in the next year would be exempt from the public bidding requirement under the bill. Tran T. Nhon from the Minnesota Economic Development Council said, “Public bids are the only chance small businesses have to know about the opportunities.” He also said eliminating the competitive process requirement for small projects will raise prices.

The committee amended the bill, changing the minimum estimated costs for projects that must go through competitive bidding to \$50,000 and requiring contracts ranging from \$5,000 to \$50,000 to go through a departmental selection process.

The bill also allows the Department of Administration to request bids for trunk highway projects over the Internet as well as permits bids to be electronically submitted. Richard Thomas from Associated General Contractors said that electronic bidding saves money because the bidding software is able to catch mistakes that might otherwise disqualify low bids. The committee re-referred the bill to the State and Local Government Operations Committee with a recommendation to pass.

Sen. Satveer Chaudhary (DFL-Fridley) presented a bill, S.F. 1546, authorizing courts, under certain conditions, to stay the adjudications of the minor driving offenses of people who have had their driving licenses revoked, suspended or canceled “The bill gives judges the discretion to give some people a second chance to get their driver’s license reinstated,” he said. According to the bill, in order to have the adjudication stayed, a person must plead guilty to the driving offense and seek reinstatement of driving privileges, be able to remedy the circumstances for the driving offense and schedule a hearing within 90 days to review the reinstatement.

Lee Bjorndal, a prosecuting attorney from Austin, said new immigrants who do not understand the court system will benefit from the legislation. “They are confused in court, they pay the fine, leave and don’t know how to get re-instated,” he said. He also said the bill is a rehabilitative and preventative measure that allows drivers to be more simply reinstated and easily insured. S.F. 1546 was recommended to pass and re-referred to the Crime Prevention Committee.

The committee also recommended that S.F. 1385, authored by Chair Randy Kelly (DFL-St. Paul), be passed. The bill requires MNDOT to study major river crossings in order to evaluate which political subdivisions have jurisdiction over the bridges as well as determining future funding needs. Dick Stehr from MNDOT said the scope of the bill needs to be narrowed because MNDOT does not have the expertise necessary to evaluate all of the specific issues the bill requires to be studied, and MNDOT would have to pay consultants to do some of the work. Kelly offered an amendment that limited the study to determining the jurisdiction over financing needs and the availability of federal and state funds. The committee re-referred the bill to the Finance Committee.

The committee recommended that S.F. 1056, authored by Sen. Julie Sabo (DFL-Mpls.), pass and recommended the measure to the Consent Calendar. The bill requires schools to verify bus driver’s licenses once a year with the National Drivers Register or with the Department of Public Safety. Sabo said the measure is not an unfunded mandate, because schools have continued checking the licenses even though the requirement had been mistakenly removed from statute.

## Panel hears I-494/Crosstown bills

The Highway 62 controversy was the focus of discussion at the Weds., Mar. 28 meeting of the Transportation Committee. Sen. Dick Day (R-Owatonna) and Sen. Roy Terwilliger (R-Edina) presented bills delaying the Crosstown project until work has been completed on I-494. Members, chaired by Sen. Randy Kelly (DFL-St. Paul), also heard S.F. 1539, a bill prohibiting cellular phone usage while driving a motor vehicle.

S.F. 1729, authored by Day, advances the I-494 construction project from I-394 to trunk highway 100. The bill also suspends the Highway 62 Crosstown

# Committee update

project until work is completed on I-494 and redirects the Highway 62 funds to the I-494 project. Additionally, the bill imposes a moratorium on issuance of building and related permits until the I-494 project is completed. Day offered two amendments. The first amendment deletes the moratorium provisions and the second amendment adds a design-build authorization. Both amendments were adopted.

Day said, "My problem is with adding thousands of cars on I-494 and causing more congestion. I'm trying to put some sense in the way we do our highways in Minnesota."

S.F. 1487, authored by Terwilliger, advances the I-494 construction project between I-394 and 34th Avenue and temporarily suspends the Highway 62 Crosstown project until work is completed on I-494. Additionally, the bill redirects all Highway 62 funds to the I-494 project and requires a design and construction staging plan for the Crosstown Commons area.

Further, the bill authorizes the sale of trunk highway bonds and appropriates the proceeds to carry out the I-494 project and Crosstown Commons staging plan. Sen. David Johnson (DFL-Bloomington) offered an amendment that adds a segment of I-494 from Highway 100 to 77th Street to the project. The amendment was adopted.

Terwilliger said, "The Crosstown project design was inadequate four years ago and will be inadequate when finished four years from now. The project creates a huge problem for 77,000 people traveling Highway 62 every day. We need a complete solution—not a partial solution." Further, he said, "I believe this is thoughtful legislation that addresses the situation and get us out of this predicament."

Johnson said, "The Crosstown is one of the top 20 bottlenecks in the country and MNDOT did not do a traffic demand study even though people from MNDOT testified it is a standard industry practice." He said the infrastructure needs on both I-494 and the Crosstown are negatively affecting the south metro economy because roads are not adequate to accommodate traffic to businesses and shopping areas. Day said the Mall of America plans to add significant space to the mall, which will add even more congestion.

Dave Stehr and Tim Worke, from MNDOT, answered questions from the committee. Worke said, "The department

is faced with significant funding, design and local input challenges and it is obvious nothing will get accomplished without significant pain. But, there is no Crosstown, East-West detour route available that is reasonable."

Kelly asked if the Highway 62 infrastructure will last another four to five years. Stehr said bridges have another 10 years of life, but roads may have to be over-laid a couple of times at a cost of about \$1 million.

More than a dozen witnesses testified in favor of the bills, most citing side street congestion, safety, inadequate project results and medical emergency route capability as reasons for completing I-494 prior to the Crosstown. A Richfield resident said, "68 homes, several small business, two auto dealerships and an apartment building have been demolished because of the Highway 62 project and there is still no way for people to detour except down side streets. Richfield is going to become a traffic sandwich," she said.

Minneapolis City Council member Dore Mead, was the sole opponent of re-prioritizing the I-494 and Crosstown projects. She said the Crosstown project is a phase of the 35W construction project. "It's all one project and all pieces must work together," she said.

Kelly asked Amy Vennewitz, Senate Counsel and Research, to outline the differences between the Terwilliger and Day bills. She said S.F. 1487 provides \$500 million in trunk highway bonding and requires a redesign of the Crosstown Commons area to add capacity. Additionally, I-494 between Highway 100 and 34th Avenue is reconstructed and a design-build plan is required, she said. Under S.F. 1270, a section of I-35 between Highway 100 and I-394 is constructed, there is no redesign of the Crosstown Commons area and no additional funding is requested, said Vennewitz.

The panel approved both measures and re-referred the bills to the Committee on Finance.

A bill, S.F. 1539, prohibiting cellular phone use while driving, was also discussed. The measure, sponsored by Sen. Myron Orfield (DFL-Mpls.), specifies that use of cellular phones is prohibited unless a hands-free device is used. Orfield said that, under the bill, a violation is not a primary offense, but if a vehicle is stopped for another moving violation, the driver may be ticketed for a misdemeanor. Lee

Anderson, from ATT Wireless, Mike Ahern, representing Midwest Wireless, and Paul Cassidy, from Verizon Wireless testified in favor of the bill saying that they support cell phone usage in a responsible manner. Mike Nowick, from the Minnesota Telephone Association, opposed the bill and said that there are other driver distractions that cause a higher percentage of accidents. The bill failed to gain committee approval.

## Transportation and Public Safety Budget Division

### Victim intervention bill heard

Sen. Randy Kelly (DFL-St. Paul), presented two bills to the Transportation and Public Safety Budget Division on Thurs., Mar. 22, for possible inclusion in the omnibus bill. The division, chaired by Sen. Dean Johnson (DFL-Willmar), heard a bill expanding the St. Paul victim intervention project to include Minneapolis and a bill providing security technology for the Capitol complex.

S.F. 1262 appropriates \$600,000 over the next biennium for a grant to the cities of St. Paul and Minneapolis for support services to the surviving family members of homicide, suicide and accidental death victims. Kelly said the program has been a great success and invaluable service to both victims and the police department.

Margaret Macabee, Victim Intervention Project Institute director, said the project was developed in 1993 as a pilot and has served victims in ways that no other program has in the past. She said surviving family members of victims need immediate help. A chaplain is sent to the family immediately after a crime is reported.

"The chaplain is often with families for several hours, counseling, sharing information and accompanying them to the body viewing," she said. Macabee said she contacts families within 24 hours of the reported tragedy and usually has additional information to share with families.

Commander John Vomastek, from the St. Paul Police Homicide Unit, said, "The program was formed to help us do a better job of solving crime." Kelly said, "We try to figure out what needs are, find the program that meets those needs and revisit the situation to see if needs are met."

Lt. Dan Grout, from the Minneapolis Police Homicide Unit, said Macabee has offered invaluable assistance in the past. He said, "St. Paul does not have the resources to assist us and we would like resources for a program in Minneapolis."

Testimony was heard from several homicide and suicide victim family members. Jim Basta, father of Anthony Basta, said after his son was shot while riding his bike last year, Macabee provided assistance to family members immediately. He said, "I could not put a price on the services we received."

Kelly also authored S.F. 738, a bill appropriating \$500,000 for a security system technology upgrade for the Capitol Complex. Col. Anne Beers, chair of the Capitol Security Committee and Minnesota State Patrol chief, said funding allows for a conversion from a taped security camera system to a digital camera system. She said the 189 cameras throughout the Capitol complex have conversion capability because the department was pro-active when cameras were purchased and are capable of the upgrade. "A digital system lets technology be the eyes we don't have," said Beers.

Captain Tom Fraser, Capitol security director, said Capitol Security forces are now covering 19 buildings and 33 parking ramps and lots. He said, "The new system allows the department to free up patrol officers to do other duties." He said the present system does not allow for enhanced safety and communication and apprehension of offenders because the tapes don't have the storage capability of digital technology. He said, "The new technology allows a 10 to 14 day record, which gives the department time to become aware of, retrieve and view a situation." He said digital technology aids in solving and prosecuting crimes as well as exonerating officers or visitors accused of crimes. Capitol Security is responsible for the security of 500,000 visitors to the Capitol Complex every year as well as the governor, Senators, and members of the House of Representatives. The new technology allows patrol officers to serve more people. Robert Meeke, president of the Minnesota Government Relations Council said, "We are in full support of this bill. It is a safety measure we urge you take."

Sen. Julie Sabo (DFL-Mpls.) put forth an amendment adding "staff" to the list of people protected by the Capitol security team. The amendment was adopted.

## Rural transit okayed

Members of the Transportation and Public Safety Budget Division came together Tues., Mar. 27, and heard bills dealing with a plethora of transportation items. The division laid over all bills for possible inclusion in an omnibus transportation bill.

A bill appropriating \$1.5 million for transportation in rural Minnesota was sponsored Keith Langseth (DFL-Glyndon). Donna Allan, director of the Office of Transportation of the Minnesota Department of Transportation (MNDOT), said the bill, S.F. 968, funds transportation systems in Nicollet and Crow Wing Counties as well as in the city of Worthington.

Several individuals spoke of their support for rural transportation efforts. Jeanette Aguirre, who works with the Western Community Action Group to provide rural transportation, said, "People are getting frustrated because they can't depend on us to get them to work on time." She said funding is needed to enhance and expand existing rural transportation systems.

Sen. Jim Vickerman (DFL-Tracy) presented S.F. 1207, which appropriates over \$120,000 over the biennium to the Nobles County Joint Powers Transit Authority to pay for up to 65 percent of the costs of operating the Prairieland Transportation System. Allan said that if S.F. 968 is approved, S.F. 1207 will be redundant.

The panel heard four bills that affect bridge construction. Sen. Roger Moe (DFL-Erskine) presented S.F. 204, which authorizes \$10 million of bonding for bridge construction. Carol Lovro, representing the Association of Minnesota Counties, said that the money is needed to cover a \$7 million funding shortfall, as well as to provide enough money to support projects until the next bonding bill.

S.F. 621, authored by Sen. Randy Kelly (DFL-St. Paul), grants \$7.3 million for the rehabilitation of the Ford Parkway Bridge, which reaches across the Mississippi River in St. Paul. Kelly said the repair process will take 30 months and the bridge will remain partially open during that time.

He said construction would be cheaper and faster if the bridge were closed during repairs, however, the loss of the use of the bridge would result in a \$36 million

economic hardship on the communities near the bridge. The current construction plan is projected to have a \$8 million impact on local businesses, he said.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) carried S.F. 439, a bill that provides \$250,000 for the construction of a new bridge on Highway 64 near the city of Akeley. He said the current bridge was built in 1956 and runs right through the center of a lake. Welsely Gjovik, a regional engineer for MNDOT, said the bridge is not a high priority project and may last another ten years. Kinkel said the current bridge harms the lake environmentally and prevents full use of the lake's recreational potential. "If the state did this in the 1950s, it's the state's responsibility to undo it now," Kinkel said.

Sen. Dean Johnson (DFL-Willmar), division chair, authored S.F. 199, which extends the use of town bridge accounts to pay for engineering costs. The bill specifies accounts be used for 100 percent of the engineering costs that exceed \$10,000.

Sen. Linda Scheid (DFL-Brooklyn Park) presented S.F. 1286, which issues bonds to fund the replacement of a transit hub near the Brookdale Shopping Center in Brooklyn Park. Scheid said that the project could be funded by an appropriation instead of bonds. She also said the hub is a major center that is disruptive to the shopping mall and creates dangers for pedestrians and drivers. "We need a place where you can go inside and wait, that has restrooms and that is warm in the winter," she said. She also said the hub is the second busiest in the state.

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# Preview

## Monday, April 2

### Legislative Commission on Pensions and Retirement

*Chair: Sen. Dean Johnson*

8:30 a.m. Room 316 Capitol

**Agenda:** S.F. XXX/H.F. 855-Mares and S.F. 810-Pogemiller/H.F. XXX: PERA; Funding deficiency correction. Consideration of other PERA funding deficiency correction options.

### Rules and Administration Subcommittee on the Senate Budget

*Chair: Sen. Roger D. Moe*

9 a.m. Room 237

**Agenda:** Senate budget.

The Senate will meet at 11 a.m.

### Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

12 noon Room 107 Capitol

**Agenda:** Senate budget.

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** S.F. 497-Higgins: Adolescent parenting program. S.F. 905-Krentz: Lead hazard reduction program. S.F. 1632-Krentz: Service learning. S.F. 944-Lourey: MN economic opportunity grants. S.F. 2090-Pappas: Adult basic education. S.F. 421-Johnson, Dean: Community education youth programs. S.F. 946-Sabo: After school enrichment grants. S.F. 1650-Tomassoni: Revenue for extracurricular activities. S.F. 292-Kleis: After school education enhancement pilot project for low-income youth in St. Cloud

### Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 179-Betzold: Civil commitment provisions modifications. S.F. 794-Stevens: Establishing a nursing facility case mix transition plan. S.F. 210-Foley: Modifying the procedure for counting savings under nursing facility closure plans. S.F. 923-Pariseau: Exempting certain persons who are refugees or immigrants from the examination social work license requirement and temporary permit eligibility. S.F. 1310-Berglin: Modifying provisions for children's health

insurance. S.F. 1279-Berglin: Providing medical assistance and alternative care reimbursement for certain employee travel costs. S.F. 1411-Berglin: Providing services to young adults for transitional services. S.F. 1722-Higgins: Providing a rate increase for mental health services.

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** S.F. 380-Lourey: Facilities grant to ISD 2580, East Central. S.F. 394-Lourey: Capital loan to ISD 2580, East Central. S.F. 762-Samuelson: Cooperative facilities grant to 486, Swanville, and 487, Upsala. S.F. 769-Price: Grant to ISD 6067, Tri-District. S.F. 537-Fischbach: Expanding general education revenue to include transportation revenue. S.F. 361-Johnson, Dean.: Reinstating categorical funding for transportation. S.F. 1196-Robertson: Removing pupil transportation requirements for school district.

## Tuesday, April 3

### Education Subcommittee on Early Childhood Education

*Chair: Sen. Becky Lourey*

8 a.m. Room 125 Capitol

**Agenda:** S.F. XXX-Pappas: Early child assessment.

### Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

8 a.m. Room 107 Capitol

**Agenda:** Continuation of Monday's agenda.

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

8 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

9 a.m. Room 107 Capitol

**Agenda:** S.F. 795-Stevens: Requiring the continuation of grant in aid snowmobile trails. S.F. 1785-Higgins: Pollution Control Agency technical bill. S.F. 1555-Higgins: Prohibiting the sale of phosphorus fertilizer. S.F. 1387-Tomassoni: DNR forestry bill. S.F. 1510-Krentz: Forest Resources Council. S.F. 1126-Kirkel: Omnibus tax-forfeited land bill.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 1010-Samuelson: Employee compensation costs. S.F. 1033-Pappas: MnSCU; technical and community colleges unions merger. S.F. 1064-Rest: Professional services contract. S.F. 1124-Chaudhary: Insurance coverage for spouses of certain retirees. S.F. 1312-Johnson, Douglas: Decentralize state agencies. S.F. 1475-Pogemiller: Expanding eligibility for the public employees group long-term care insurance program. S.F. 1628-Rest: Reclassifying certain Minnesota colleges and universities positions as classified.

### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** S.F. 835-Johnson, Douglas: Master logger certification program. S.F. 862-Ring: Forest health programs. S.F. 1151-Lourey: Money for forest management. S.F. 1357-Ring: Funding levels for sustainable and organic food programs. S.F. 1509-Ring: Cost-share payments to organic farmers. S.F. 1970-Dille: Base funding for sustainable and organic foods program. S.F. 1235-Dille: Money for soil and water conservation districts. S.F. 1003-Lourey: Funding for MN institute of sustainable agriculture.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 1682-Johnson, Dean: Senior nutrition programs expansion, appropriation. S.F. 1586-Higgins: Traumatic brain injuries support and problem solving pilot. S.F. 1080-Berglin: MA eligibility extension for employed persons with disabilities. S.F. 929-Berglin: MA eligibility assets treatment modification for persons with disabilities. S.F. 858-Sams: Mediation process for day training and habilitation services.

### Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

4 p.m. Room 15 Capitol

**Agenda:** S.F. 1489-Rest: Increasing maximum dependent care credit and



extending the phaseout. S.F. 1158-Rest: Corporate franchise tax; extending exemption for foreign insurance companies to all insurance companies. S.F. 915-Lourey: Providing tax credit. S.F. 1520-Neuville: Expanding subtraction for education expenses. S.F. 941-Pogemiller: Administration and compliance; requiring number of school district that person resides in to be on state income tax return. S.F. 1281-Oliver: Creating an income tax credit for land donated for conservation purposes. S.F. 1853-Oliver: Increasing maximum long term care insurance credit; reducing lifetime benefit requirement and extending credit to employers; providing sunset for credit. S.F. 1391-Fowler: Making technical corrections and administrative changes to income and franchise, property, sales and use, petroleum deed, cigarette and tobacco, liquor, MinnesotaCare and other taxes. S.F. 700-Kierlin: Providing location of financial accounts may not be considered in determining residency. S.F. 1110-Langseth: Providing subtraction for amounts expended for long-term care premiums. S.F. 1637-Chaudhary: Expanding long-term care credit. S.F. 1532-Kelley, S.P.: Increasing research credit and extending it to individual income; allowing investment credit; providing tax exemption for certain purchases. S.F. 1847-Bachmann: Administration and compliance; modifying electronic filing requirements. S.F. 1848-Bachmann: Administration and compliance; modifying electronic filing requirements. S.F. 1856-Pappas: Providing education expense credit and deduction apply to certain expenditures for pre-K expenses and museum memberships. S.F. 1876-Murphy: Providing income tax credits for telework assessments and telecommuting expenses. S.F. 2024-Kelley, S.P.: Exempting portion of capital gain realized on certain investment in high tech businesses; providing credit for research and development activities is refundable.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** Senate Budget. S.F. 107-Langseth: Public TV digital conversion. S.F. 288-Kelly, R.C.: Redevelopment

grants. S.F. 398-Moe, R.D.: Mahnommen County Center for Human Environment. S.F. 652-Johnson, David: Richfield redevelopment grants. S.F. 667-Kelly, R.C.: Revitalization grants aging commercial corridors. S.F. 1079-Cohen: St. Paul Roy Wilkins Auditorium grant. S.F. 1294-Samuelson: Cuyuna Range Technology Center.

#### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** S. F. 75-Johnson, Dean: Multijurisdictional narcotics task forces funding. S. F. 1660-Samuelson: Methamphetamine trafficking and production law enforcement cost grants appropriation. S. F. 1556-Higgins: Marijuana medical use research study appropriation. S. F. 1874-Kelly: Camp Ripley at-risk youth weekend camp operation continuation appropriation. S. F. 1994-Knutson: Sexual assault response teams establishment grant program. S. F. 387-Kiscaden: Multilane highways motor vehicles lane shift requirement for passing emergency vehicles.

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** S.F. 177-Berg: Severance levy for ISD 2853, Lac Qui Parle Valley. S.F. 293-Betzold: Severance levy for ISD 14, Fridley. S.F. 1574-Moe, R.D.: Severance levy for ISD 593, Crookston. S.F. 1304-Moe, R.D.: Allowing health and safety revenue to be used for project financing costs. S.F. 85-Ring: Extending the disabled access levy for ISD 578, Pine City. S.F. 2051-Pogemiller: Expanding use of building lease levy. S.F. 953-Ranum: Increasing the crime-related costs levy. S.F. 1014-Tomassoni: Extending the school district levy for retired employee health benefits. S.F. 651-Wiger: Providing for a swimming pool levy.

### **Wednesday, April 4**

#### **Commerce Committee**

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 1227-Johnson, David: Amending provisions relating to charges

recipients of dishonored checks may collect. S.F. 1022-Johnson, David: Regulating securities; modifying certain fees for securities issued by open-end management companies and unit investment trusts. S.F. 1541-Oliver: Department of Commerce enforcement bill. S.F. 1826-Oliver: Providing qualifications and procedures for the licensing of insurance producers.

#### **Jobs, Housing and Community Development Committee**

*Chair: Sen. Ellen Anderson*

9 a.m. Room 123 Capitol

**Agenda:** S.F. 612-Hottinger: River Bend rural advanced business facilitation program. S.F. 1968-Samuelson: Crane operators. S.F. 1472-Metzen: Capital access program. S.F. 1834-Berglin: Spoken language interpreters. S.F. 1090-Reiter: Minor age certification for employment. S.F. 1277-Frederickson: Unemployment insurance. S.F. 1899-Johnson, David: Job skills partnership program clarification.

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** S.F. 355-Knutson: Evaluation of districts' financial and academic performance factors. S.F. 1063-Stumpf: Article 5 (Educational Excellence) of governor's E-12 education funding bill. S.F. 2014-Kinkel: Tenth grade testing - college readiness assessment. S.F. 649-Kelly, R.C.: Funding for gifted and talented programs. S.F. 1091-Krentz: Funding for gifted and talented programs. S.F. 1063-Stumpf: Article 9 (Libraries) of governor's E-12 education funding bill. S.F. 945-Langseth: Library basic support grants. S.F. 1720-Tomassoni: Appropriation for multicounty, multitype libraries.

#### **Health and Family Security Committee**

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 217-Fischbach: Requiring informed consent of a female upon whom an abortion is performed. S.F. 1399-Kiscaden: Changing provisions to improve access to home and community based options. S.F. 1534-Kiscaden: Modifying the distribution formula for medical education programs.

# Preview

## Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 1742-Wiener: Appropriating money for higher education asset preservation and replacement. S.F. 2126-Larson: Providing for acquisition of certain facilities by the MnSCU Board of Trustees.

## Legislative Coordinating Commission Library Subcommittee

2 p.m. Room 500N

**Agenda:** Elect chair and review Legislative Reference Library budget.

## Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

4 p.m. Room 316 Capitol

**Agenda:** S.F. 1042-Rest: Clarifying and technical changes to sales and use tax. S.F. 1189-Rest: Repealing obsolete cigarette and tobacco products tax rules. S.F. 1325-Rest: Tax administration; providing for electronic filing and paying of taxes; providing for uniform sales and use tax administration. S.F. 1130-Vickerman: Reducing rates of tax on gambling. S.F. 1420-Pogemiller: Expanding eligibility for 2000 sales tax rebate. S.F. 1511-Lessard: Eliminating expiration date for specific sales tax exemption. S.F. 1631-Ranum: Exempting construction and rehabilitation of low income housing owned by qualified nonprofit agency from sales tax. S.F. 1640-Terwilliger: Providing retailers a deduction from amount of sales tax remitted to compensate for costs of collecting tax. S.F. 1751-Metzen: Removing access to amusement devices from definition of taxable service. S.F. 1819-Murphy: Exempting certain machinery and equipment used to provide telecommunications services.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 65-Marty: Business subsidies restrictions, TIF and abatement sunset and freeze. S.F. 73-Rest: Prohibits modifying pre-90 TIF district plans and restricts expenditures. S.F. 157-Day: Medford TIF economic development district; use revenues outside district. S.F. 275-Rest:

Robbinsdale TIF district duration extension. S.F. 571-Kelley, S.P.: St. Louis Park local contribution authorized for specified tax increment financing districts. S.F. 992-Betzold: Allows Brooklyn Park Economic Development Authority to use TIF for certain qualified redevelopment projects. S.F. 1041-Hottinger: Exempts certain TIF districts from local contribution requirements upon waiver findings by DTED and contribution to affordable housing fund for district. S.F. 1433-Wiger: TIF grant for North St. Paul. S.F. 1452-Day: Authorizes certain expenditures by TIF district in Waseca. S.F. 1473-Pappas: Modifies pooling process among TIF districts. S.F. 1658-Chaudhary: Authorizes housing replacement TIF projects in Mounds View and New Brighton. S.F. 1794-Scheid: Applies 5-yr rule to pre-1990 districts; time limits. S.F. 1896-Robertson: Authorize TIF to pay library costs in Wayzata. S.F. 1998-Frederickson: Extends time for approval of TIF project. S.F. 2035-Kinkel: Park Rapids tax increment financing district duration extension.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

6 p.m. Room 107 Capitol

**Agenda:** S.F. 1389-Tomassoni: Hibbing Community College building purchase. S.F. 1474-Pappas: St. Paul Theater in the Park. S.F. 1634-Kinkel: Longville City Hall ambulance building. S.F. 1656-Johnson, Dean: Upper MN Valley Travel Information Centers. S.F. 1698-Anderson: St. Paul Trout Brook redevelopment grant. S.F. 1961-Schwab: Albert Lea business incubator (bonding). S.F. 1962-Schwab: Albert Lea business incubator (cash).

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** S.F. 1537-Rest: Telecommunications system for library for the blind. S.F. 1719-Rest: On-line computer-based library catalogue system in agency libraries. S.F. 1845-Chaudhary: Grant for technology for improving learning. S.F. 1672-Kelley, S.P.: TARP and technology grant programs. S.F. 1726-Ranum: Grants for technology standards.

## Thursday, April 5

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

8 a.m. Room 112 Capitol

**Agenda:** To be announced.

**The Senate will meet at 9:30 a.m.**

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

10 a.m. Room 107 Capitol

**Agenda:** S.F. 1082-Frederickson: State park boundary bill. S.F. 1356-Wiger: Office of Environmental Assistance revolving loan fund. S.F. 1257-Wiener: Shoreland protection program. S.F. 1293-Tomassoni: ATV safety training and youth operation program. S.F. 1045-Vickerman: Regulating ash disposal from fire training exercises. S.F. 1383-Murphy: Modifying provisions relating to petroleum tank release cleanup.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 761-Fowler: Proportional representation on boards. S.F. 1481-Lessard: Shooting sports program. S.F. 1633-Ring: Authorizing joint powers board that owns and operates sewage treatment facilities to issue general obligation bonds. S.F. 1678-Rest: Removing certain state involvement with the state fund mutual insurance company. S.F. 1685-Murphy: Goodhue County; permitting the appointment of the auditor-treasurer.

### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

4 p.m. Room 118 Capitol

**Agenda:** S.F. 894-Kelley, S.P.: St. Louis Parks Westwood Hills nature center. S.F. 1037-Tomassoni: Laurentian environment learning center. S.F. 1160-Lourey: Environmental learning centers. S.F. 1526-Lesewski: Prairie farms education and exhibit center. S.F. 1625-Day: Farmamerica capital improvements. S.F. 1850-Bachman: Stream protection and improvement loan program. S.F. 1735-Lourey: Partial funding for Farm Connect.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

4 p.m. Room 123 Capitol

**Agenda:** S.F. 1341-Foley: Assisted living disclosure bill. S.F. 1723-Berglin: Program options for persons with developmental disabilities. S.F. 1365-Berglin: Health Care Endowment Fund. S.F. 878-Ranum: Mental health services for children with violent or destructive behavior. S.F. 619-Ranum: Domestic abuse.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** S.F. 34-Johnson, Dean: Tuition reimbursement rate raised to 100 percent. S.F. 118-Foley: Changing DWI from .10 to .08. S.F. 143-Metzen: Youth intervention program grants. S.F. 479-Johnson, Dean: Tornado relief. S.F. 550-Berglin: High risk tenant rental housing pilot. S.F. 763-Kelley, S.P.: Electronic filing for real estate documents. S.F. 827-Kelley, S.P.: Workplace HIV education. S.F. 797-Higgins: MN employment center for deaf and hard of hearing. S.F. 816-Higgins: Nonprofit organizations technology and management grants. S.F. 832-Frederickson: MN Inventors Congress.

## Tax Committee

*Chair: Sen. Lawrence Pogemiller*

4 p.m. Room 15 Capitol

**Agenda:** Tax incidence study analysis.

## Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

Following full committee Room 15 Capitol

**Agenda:** S.F. 134-Lourey: Authorizing Cloquet to impose a local sales tax. S.F. 135-Lourey: Expanding uses for Hermantown local sales tax. S.F. 591-Johnson, Doug: Authorizing Beaver Bay to impose a sales and use tax. S.F. 304-Lesewski: Allocation of state tax reductions for city of Luverne. S.F. 1015-Lesewski: Extending exemption for construction of agricultural processing facility by one year. S.F. 1338-Fowler: Authorizing city of Fairmont to impose sales and use tax and an excise tax on sales of motor vehicles. S.F. 334-Solon:

Exempting sales to Western Lake Superior sanitary district. S.F. 458-Betzold: Exempting sale of diesel fuel used to operate commuter rail systems. S.F. 459-Betzold: Exempting purchase of construction materials and equipment used to provide commuter rail services. S.F. 1657-Cohen: Providing for state payment of court administration costs in the 2<sup>nd</sup> judicial district. S.F. 1757-Orfield: Increasing maximum sum of rates of certain sales taxes imposed by Minneapolis. S.F. 1784-Tomassoni: Providing for certain taconite production tax distributions. S.F. 1822-Kleis: Allowing St. Cloud, Sartell, Sauk Rapids, Waite Park, St. Joseph and St. Augusta to impose local sales and use taxes to fund certain projects. S.F. 2001-Kelley, S.P.: Authorizing Hopkins to impose a food and beverage tax. S.F. 158-Ourada: Authorizing production tax on aggregate materials for Wright County. S.F. 159-Ourada: Authorizing production tax on aggregate materials for Wright County.

## Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

4 p.m. Room 112 Capitol

**Agenda:** S.F. 1140-Hottinger: Trunk highway #14 expansion federal aid match and EIS completion appropriations. S.F. 332-Kelley: Trunk highway noise barriers construction grants, bond issue and appropriation. S.F. 681-Lesewski: King of Rails highway designation. S.F. 822-Metzen: Dakota County Cedar Avenue corridor transportation projects studies and preliminary engineering appropriation. S.F. 1102-Johnson, Douglas: Lake County forest highway 11 project completion bond issue and appropriation. S.F. 1255-Johnson, Debbie: Trunk highway #65 improvements construction bond issue and appropriation.

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** S.F. 1063-Stumpf: Articles 1, 2 and 3 (early childhood articles), and Article 6 (special programs) of governor's E-12 education budget. S.F. 1156-Robertson: Modifying special education provisions. S.F. 1708-Robertson: Developing special education services/access to information.

## Friday, April 6

### Commerce Committee

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 970-Murphy: Prohibiting gasoline sales below cost. S.F. 1081-Sams: Requiring an affirmative provider consent to participate in a network under a category of coverage. S.F. 983-Sams: Providing buyback requirements related to the sale of farm implements and outdoor power equipment.

### Legislative Commission on Pensions and Retirement

*Chair: Sen. Dean E. Johnson*

12 noon Room 316 Capitol

**Agenda:** To be announced.

### Legislative Commission on the Economic Status of Women

*Chair: Sen. Becky Lourey*

1 p.m. Room 300S State Office Building

**Agenda:** Organizational meeting. Approval of proposed budget.

### Education Subcommittee on Early Childhood Education

*Chair: Sen. Becky Lourey*

2 p.m. Room 125 Capitol

**Agenda:** To be announced.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

TBA p.m. Room TBA Capitol

**Agenda:** To be announced.

**Editor's Note:** Due to committee deadline pressures, committee schedules and agendas are very fluid. Please call the Senate Information Office at (651) 296-0504, the Committee Hotline at (651) 266-8088 or check the Senate website:

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# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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*The Senate Chamber bustles with the activity of a Senate Floor Session as viewed from the west gallery. Photo by David J. Oakes*



April 6, 2001

# Senate Highlights

## Budget resolution passes

A budget resolution was debated on the floor of the Senate Mon., Apr. 2. Bills were also taken up on the Consent Calendar and a brief recess was granted so that Sen. Sam Solon (DFL-Duluth) and Sen. Douglas Johnson (DFL-Tower) could congratulate the new NCAA Champions in women's hockey, the team from the University of Minnesota-Duluth.

S.R. 94, presented to the body by Johnson, chair of the Finance Committee, sets a maximum limit on general fund revenues and general fund appropriations at a figure just over \$26.5 billion for FY 02-03. The resolution also calls for a budget reserve of \$622 million and a cash flow account of \$350 million.

Johnson said the resolution reflects matching tax cuts and spending increases of \$609 million each, with the tax cuts focused on property tax relief and the new spending targeted toward education, health care, transportation, and housing. He also said the majority caucus recommends that the projected surplus for the current biennium be split between a rebate and one-time spending for highways and transit. Sen. Edward Oliver (R-Deephaven) clarified that the current biennium is not addressed in the resolution.

Sen. Thomas Neuville (R-Northfield) offered to amend the resolution with a maximum revenue and appropriations figure that is \$459 million less than the original figure. He said the total lower amount presented by the amendment allows for greater tax relief and still includes increases in key spending areas. Sen. Richard Cohen (DFL-St. Paul) said that, based on appropriations bills presented to his finance division alone, the amendment's figure makes it too hard to meet all the needs addressed by the bills. Sen. Dan Stevens (R-Mora) said that the amount in the amendment still represents an increase over the governor's budget. Sen. Roger Moe (DFL-Erskine) said that the two caucuses share concerns but that the original amount better achieves a balance between "sustainable tax reform and the necessary investments that are important for the state's future."

The Neuville amendment was defeated by a vote of 39 to 27. The body then voted to approve the resolution as presented by a vote of 38 to 28.

In other business, eight Consent Calendar bills were granted final passage. S.F. 1204, authored by Sen. John Hottinger (DFL-Mankato), clarifies references to the use of tests for HIV and other bloodborne pathogens. Another bill

by Hottinger, S.F. 1404, allows retired state employees to buy into the state's new long-term care insurance plan. An appropriation from last year's budget is clarified and redirected in S.F. 244, sponsored by Sen. Linda Higgins (DFL-Mpls.). Chief Author Linda Scheid (DFL-Brooklyn Park) gained final passage for S.F. 1419, a bill that amends notification requirements for payment bonds.

S.F. 1502, authored by Sen. Don Betzold (DFL-Fridley), lets applicants for a name change submit an affidavit instead of attending a hearing. Also passed was Sen. Kenric Scheevel's (R-Preston) bill, S.F. 702, that clarifies permissive authority to create new trails in the Blufflands trail system. Sen. Leonard Price (DFL-Woodbury) presented S.F. 1435, a bill that amends a conflict of interest requirement for a board serving design industries. Lastly, S.F. 991, sponsored by Sen. Randy Kelly (DFL-St. Paul), adds possession of paraphernalia to the list of drug and alcohol related offenses for which schools must be notified.

## Patrol academy fast-tracked

Members of the Senate met Thurs., Apr. 5, and granted final passage to a bill to authorize the State Patrol to conduct training academies to fill vacancies in the patrol. The bill, S.F. 152, was carried by Sen. Dean Johnson (DFL-Willmar).

Johnson said the bill aims to advance the scheduling of training academies so that new state troopers can be placed in the field as quickly as possible. Current procedure permits the State Patrol to train up to 65 troopers in two six-month long academies beginning in January 2002 and January 2003. Under the bill, the January 2002 academy is rescheduled to begin in July 2001. The measure also appropriates \$4.294 million for the academies. The funding was originally \$5.052 million, but Johnson offered an amendment, which was adopted, to reduce the funding.

Sen. Claire Robling (R-Prior Lake) said she was disappointed with the amendment because the decreased funding won't allow for the training of all 65 troopers needed to fill the vacancies. Johnson said he too was disappointed, but had reached the amended figure after consultation with the commissioner of public safety. The commissioner, Johnson said, informed him that the governor would not approve the larger expenditure. Johnson said he would rather train some

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troopers than no troopers. The bill passed 63-0.

Members also considered 11 measures on the Consent Calendar. Sen. Julie Sabo (DFL-Mpls.) carried S.F. 1056, a bill reinstating annual requirements for school bus drivers.

S.F. 486, offered by Sen. Twyla Ring (DFL-North Branch), extends the sunset date for the farmer-lender mediation program administered by the University of Minnesota and the U.S. Department of Agriculture. Sen. Martha Robertson (R-Minnetonka) presented S.F. 1301. The bill increases the threshold whereby housing and redevelopment authorities must contract for services. Under the measure, cities smaller than 2,500 residents must contract for projects of \$30,000 or more and all other cities must contract for projects of \$50,000 or more.

S.F. 1206, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), adds one member to an advisory council appointed by the Indian Affairs Council.

Sen. Steve Kelley (DFL-Hopkins) offered S.F. 1154, which extends the sunset date on the Metropolitan Radio Board to July 1, 2005. The board implements the metropolitan law enforcement radio system. Sen. Sandra Pappas (DFL-St. Paul) carried S.F. 1919. The bill changes the membership and appointment process of the citizen review panel for the city administered half-cent sales tax to three members from each of the seven city council wards. S.F. 1780, presented by Sen. Bob Lessard (IND-Int'l Falls), extends the Itasca County chemical dependency program to June 30, 2004.

Johnson carried S.F. 1709. The bill exempts some towed farm implements from traffic regulations regarding slow moving vehicles.

S.F. 1369, offered by Sen. Linda Berglin (DFL-Mpls.), corrects an oversight made when the battered women's shelter per diem program was transferred from the Dept. of Human Services to the Dept. of Public Safety last year. The bill transfer rule-making authority to the Dept. of Public Safety. Sen. John Marty (DFL-Roseville) presented S.F. 1460, which applies the duty to warn law to social workers and permits social workers to form and join professional firms.

S.F. 1864, authored by Sen. Richard Cohen (DFL-St. Paul), authorizes the commissioner of administration to enter into agreements for cooling services.

## Informed consent bill fails

Sen. Michelle Fischbach (R-Paynesville) presented S.F. 217 at the Weds., Apr. 4, meeting of the Health and Family Security Committee. Fischbach said the measure requires that abortions not be performed without voluntary and informed consent. The bill specifies that at least 24 hours before an abortion, the physician must tell the woman the name of the physician who will perform the abortion, the medical risks associated with the procedure, the probable gestational age of the unborn child at the time the abortion is to be performed and the medical risks involved in carrying the child to term. A provision requires that the physician also inform the woman that Medical Assistance benefits may be available for prenatal, childbirth and neonatal care and that the father is liable to assist in the support of her child. The bill also details the informational materials that must be provided the woman and establishes circumstances, including non-compliance with informed consent requirements, under which civil remedies may be sought.

Sen. John Hottinger (DFL-Mankato) said provisions of informed consent already exist in law and he saw no reason for the bill. In current law, failure to obtain informed consent and provide a full explanation about the procedure is a felony.

Fischbach said that in that case, there should not be a problem with approving her bill. She said the bill adds to current law in specifying what information must be provided women prior to abortion and requires a waiting period of at least 24 hours after the dissemination of informational materials.

Representing the Midwest Health Center for Women, Sue Rockne said that in Minnesota, medical professionals are already required to provide detailed, specific abortion information, including adoption service options. "The intent of the bill is to provide directive counseling," she said. She said there is no precedent for the state interjecting itself between a physician and a patient in order to detail how communication is to occur or what specifically is to be communicated.

Members, chaired by Sen. Dallas Sams (DFL-Staples), discussed the possible danger to physicians and other providers whose names would be made available under the bill. Sen. Pat Pariseau (R-

Farmington) said, "It is reasonable to know the physician's name who will be performing a surgical procedure."

The bill failed on a 4-7 roll-call vote.

## Medical marijuana bill heard

A bill providing a grant to research the use of marijuana for medical purposes was the focus of discussion at the Tues., Apr. 3, meeting of the Transportation and Public Safety Budget Division.

S.F. 1556, sponsored by Sen. Linda Higgins (DFL-Mpls.), appropriates \$100,000 to the commissioner of public safety for a research grant to study and report on the medical use of marijuana. The bill specifies that the research study project must target a patient population suffering with serious illness or a chronic condition. Higgins said there is already a provision in statute, the Therapeutic Research Act, that allows for the study of THC, but that the bill is necessary for the research to be conducted.

Darrell Paulsen, a person with cerebral palsy, spoke in support of the measure. He said the use of marijuana provided a better quality of life than using prescription drugs for his condition. Commissioner of Public Safety Charlie Weaver said he supports getting a research program in Minnesota. Further, Weaver said the governor and the Dept. of Health are supportive of a study to find out if the medicinal use of marijuana is effective.

Tom Pritchard, speaking on behalf of the Minnesota Family Council, testified in opposition to the bill. He said no research has supported the benefits of the medical use of marijuana. Pritchard also said the bill is a first step in legalizing marijuana and sends the wrong message to children.

The committee, chaired by Sen. Dean Johnson (DFL-Willmar), laid the bill over for consideration in the division's omnibus budget bill.

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# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Omnibus ag bill advanced

The Agriculture, General Legislation and Veterans Affairs Committee incorporated several small bills into the omnibus agriculture bill Fri., Mar. 30. The omnibus bill includes the majority of bills relating to agriculture, with the exception of bills related to feedlots.

S.F. 1495, authored by Committee Chair Steve Murphy (DFL-Red Wing), was the vehicle for the omnibus bill. Murphy's bill, which eliminates the late fee for renewal of a license to use the Minnesota grown logo, had been approved by the committee at an earlier meeting.

Members heard five bills for the first time and approved them for the omnibus bill. S.F. 2027, authored by Sen. Dallas Sams (DFL-Staples), changes provisions of the agriculture best management practices

loan program. The program gives loans to farmers to reduce water pollution, according to Paul Burns of the Dept. of Agriculture. Burns said the bill puts portions of the loan fund in the control of individual counties, allowing farmers to access the program at local lending institutions.

S.F. 1792, carried by Murphy, makes changes to the shared savings loan program and the sustainable agriculture demonstration grant program. The bill gives the programs more flexibility and emphasizes loans that make environmental improvements or enhance farm profitability, Murphy said. The bill also raises loan maximums to \$25,000 per individual and \$100,000 for joint projects.

Sen. Jim Vickerman (DFL-Tracy) carried S.F. 1981, which expands eligibility for the value-added agricultural product processing and marketing grant program. The bill allows grants to cooperatives controlled by farmers or family farm corporations. Members adopted an amendment, offered by Sen. Charles Berg (R-Chokio), that also makes eligible

cooperatives the members of which are family farm partnerships or family farm limited liability companies.

S.F. 895, authored by Sen. Michelle Fischbach (R-Paynesville), adds a representative of the Dept. of Agriculture to the board of directors of the Agricultural Utilization Research Institute (AURI). Members also approved S.F. 1952, carried by Sen. Steve Dille (R-Dassel), which repeals obsolete agricultural statutes.

The committee incorporated several bills that had been approved at earlier meetings into the omnibus bill. The included bills are S.F. 47, relating to membership in the agriculture education leadership council; S.F. 339, relating to agricultural liens; S.F. 486, extending the sunset date for the farmer-lender mediation program; S.F. 511, allowing the state agricultural society to establish a nonprofit corporation; S.F. 775, allowing natural gasoline to be mixed with E85 fuel; S.F. 1436, regulating pesticide application in schools; S.F. 1497, modifying the rural finance authority loan program; and S.F.



*Having listened to testimony, Senators deliberate over legislation during a meeting of the Senate Commerce Committee.*

Photo by David J. Oakes



1499, changing financing provisions for the meat inspection program.

Members adopted two amendments to the omnibus bill. An amendment, offered by Dille, makes an exception to rules regarding USDA approval for poultry products, allowing the pneumovirus vaccine to be used this spring. Sen. Kenric Scheevel (R-Preston) offered an amendment to include set-aside land in the definition of agricultural land, in order to ensure that hunters ask permission to hunt on the land.

The committee approved two bills separately from the omnibus bill. S.F. 2117, carried by Sen. James Metzen (DFL-South St. Paul), provides \$100,000 over the biennium for the national guard youth camp at Camp Ripley. The camp, open to dependents of Minnesota National Guard members, offers activities related to the outdoors, environmental issues, patriotism and substance abuse, said Tom Simonet, who volunteers at the camp. The bill was advanced to the Finance Committee.

S.F. 1811, authored by Sen. Mark Ourada (R-Buffalo), allows counties to transfer traditional agricultural ditches to a water management authority for use as storm water ditches. The bill is needed because of the expansion of suburbs into agricultural areas, Ourada said. Members adopted amendments to ensure that landholders know they have a right to object to the transfer and to make sure the bill does not supersede any existing law. The bill was sent to the floor with a recommendation to pass.

## Commerce

### Case-rates upheld

Members of the Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth), took action on four bills Fri., Mar. 30. One bill—relating to a method of payment known as “restricted annual rate” or “case rate”—was rejected by the panel.

The measure, S.F. 1744, requires HMOs that provide inpatient mental health coverage to provide at least 10 hours of outpatient coverage per year before requiring preauthorization for treatment. The bill, authored by Sen. Linda Higgins (DFL-Mpls.), also prohibits HMOs from using case rates to compensate providers of mental health services. Representing the Minnesota Psychological Association, Tom Keliher said the case rate method of compensation puts mental

health practitioners in an ethical quandry. The only Minnesota HMO using the system, Health Partners, provides a flat rate of \$335 per patient for up to 20 visits in a 12-month period, he said. Most patients aren’t receiving any treatment after five or seven visits, Keliher said. The prevailing hourly rate is \$70, he said, but the case rate method essentially compensates a provider for the first four and a half visits. All future visits, Keliher said, are being provided to the patient for free.

William Fehrenbech, representing Health Partners, said the company has made it clear in the past and re-emphasizes now that providers are welcome to opt out of the case rate system at any time. Dr. Maureen Reed, a Health Partners executive, said the system was adopted to provide the company’s enrollees with broader choices in mental health providers and to offer more providers direct access to Health Partners enrollees. It was not, she said, a cost limiting mechanism. In fact, Reed said, the company projects that the case rate method will cost more than previous systems. A provider is paid \$335, she said, whether the patient is seen once or 20 times. Reed said company data shows that 32 percent of enrollees need only one session, 50 percent are seen two or fewer times and 75 percent have five or fewer visits. After an enrollee has attended more than 20 sessions, Reed noted, the provider is paid on a fee-for-service basis. However, she said, the case rate system is meant to be an averaging approach. A provider who sees a patient only once is earning a \$335 hourly rate, she said.

Reed also noted that the case rate method is used by a wide range of health plan companies in the state and across the nation for a variety of other services, such as general surgery, obstetrics, and cardiovascular surgery. She said she has not heard of any physical health care providers that have had problems denying patients services because of the payment method. “No payment methodology is free from ethical or operational issues,” she said. No evidence exists, Health Partners executive Babette Apland said, to show that medically necessary care is being withheld by physical care providers under a case rate system. It is an unsubstantiated claim, she added, to say that care will be withheld by mental health care providers.

Only if case rates were used for every form of physical health care, said Bill Connelly of the Mental Health Associa-

tion, would the analogy offered by Health Partners be valid. However, he said, no one uses case rates in physical care to the extent that the Health Partners method applies to mental care.

Sen. Deanna Wiener (DFL-Eagan) and other members of the committee raised concerns that the legislation interferes with already established contracts. Wiener also asked if Health Partners had clearly stated to providers that they could opt out of the case rate system. Fehrenbech said the company had informed providers of that option before. However, he said, the company will draft a letter to providers clarifying the legislative discussion on case rates and the option to withdraw from the program.

S.F. 1744 was rejected by the committee on a divided vote.

Higgins also offered S.F. 1271, which establishes requirements for accelerated payments from the real estate education, research and recovery fund. Higgins said agents pay into the fund every year when they renew their licenses. Mary Lippert, a staff attorney with the Dept. of Commerce, said the bill requires the department to notify a licensee when an aggrieved person files a claim with the department. Under the bill, if the licensee does not reply to the department within 15 days, she said, the department pays the claim out of the fund. Lippert said the current cap is \$250,000 in paid claims per year per enrollee. The bill specifies, she said, that up to \$50,000 of that amount may be small claims of \$7,500 each. In response to a question from Sen. Edward Oliver (R-Deephaven), Lippert said most agents have errors and omissions insurance but that the insurance only covers negligent acts. Claims paid out of the fund, she said, cover fraudulent behavior. The bill was approved and sent to the floor.

The panel also considered S.F. 1070, a long-term care measure carried by Sen. Linda Berglin (DFL-Mpls.). Only one article, establishing consumer protection requirements related to the sale of long-term care insurance and requiring the Minnesota Board on Aging to promote employer-sponsored long-term care insurance, was under the committee’s jurisdiction. The bill was re-referred to the Finance Committee with a recommendation to pass.

Sen. Ann Rest (DFL-New Hope) offered S.F. 1610. According to Bob Johnson of the Insurance Federation of

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Minnesota, the bill updates current investment laws regarding how Minnesota-based insurers can invest their assets. He said the bill conforms to a model act created by the National Association of Insurance Commissioners. Jim Losinski, Dept. of Commerce, said the department supports the language in the bill. The bill was approved and referred to the floor.

## Fairness education debated

Fair housing, though not usually under the panel's jurisdiction, consumed the bulk of the discussion at the Weds., Apr. 4, meeting of the Commerce Committee. The committee, chaired by Sen. Sam Solon (DFL-Duluth), debated licensing requirements for real estate agents that include continuing education on fair housing law while considering an enforcement bill drafted by the Dept. of Commerce.

Sen. Edward Oliver, who carried S.F. 1541, presented the bill, designed to clarify and streamline the department's power to enforce provisions relating to insurance agents, insurance adjusters, realtors and contractors. Because realtors and the Dept. of Commerce agreed that real estate agents' education requirement should be altered, Oliver said, the bill includes a provision to reduce to one hour in every two years the fair housing continuing education requirement. Sen. Sandra Pappas (DFL-St. Paul) said fair housing is still a major concern in the state. She offered amendments to broaden the scope of the continuing education courses, to maintain them at two hours per two years and to commission an examination of possibly expanding the requirement to others involved in the home-buying process, such as mortgage lenders and homeowners' insurance agents.

"Discrimination is a societal problem," said Glen Dorfman, "not a realtor problem." Representing the Minnesota Association of Realtors, Dorfman said his organization supports the maintenance of the two hour requirement if the requirement is also broadened to include some of the other groups Pappas mentioned. Dan Hardy of the Mortgage Bankers Association of Minnesota said, "My industry needs to do a better job serving immigrants and long-standing underserved populations." The association, he said, supports expanding the education requirement. Bill Dooley, American Family Insurance, said his company also supports Pappas' effort. Sen.

Cal Larson (R-Fergus Falls) asked why, if the Mortgage Bankers Association recognizes a problem, it doesn't act on its own to rectify it. Hardy explained that a lot of people in his industry are not Minnesota-based. They come here and they prey on Minnesotans, he said, but the association cannot control them and does not represent them.

Responding to comments from members of the committee who suggested that professional associations can hold their members to high standards of conduct and that their constituents are not preyed upon by unfair lenders or realtors, Sen. John Hottinger (DFL-Mankato) said some people are fair and some are not. Because of the unfair ones, he said, we have consumer protection laws.

The amendment to broaden the courses' scope and expand the requirement to non-realtors was defeated on a 6-6 division of the committee. In light of the vote, Dorfman said, his organization does not support maintaining the two hour requirement. The amendment to maintain the requirement at two hours was defeated on a voice vote. Sen. Deanna Wiener also offered an amendment to delay for one year the effective date of the reduction of the requirement to one hour. The amendment also failed.

S.F. 1541 was approved and sent to the floor.

Oliver also offered S.F. 1826, a bill that responds to the federal Gramm-Leach-Bliley Act. The federal law provides for multistate insurance licensing. If 29 states have not enacted provisions set forth in the act by November 2002, Oliver said, the federal law will preempt state authority on insurance agent reciprocity and licensing. S.F. 1826, he said, enacts the model law of the National Association of Insurance Commissioners, which meets the requirements of Gramm-Leach-Bliley. Dominic Sposeto, representing three insurance coalitions, said, "Frankly, we don't want a federal licensing system thrust upon us." Mary Lippert, an attorney with the Dept. of Commerce, said the department is comfortable with the bill. S.F. 1826 was sent to the floor with a recommendation to pass.

S.F. 1022, authored by Sen. Dave Johnson (DFL-Bloomington), increases the amount of securities fees to be refunded by the Dept. of Commerce in future fiscal years. Under the bill, the following amounts are refunded: everything in excess

of \$20 million in FY 02, everything in excess of \$15 million in FY 03, everything in excess of \$10 million in FY 04 and everything in excess of \$5 million in FY 05. After FY 05, the fee is set as a percentage of the amount of securities sold by an issuer and is capped at \$3,000. Rich Forschler, representing the Investment Company Institute, said Minnesota financial services companies offering mutual funds will benefit greatly under the bill's provisions. The bill was approved and re-referred to the Finance Committee.

Hottinger carried a bill, H.F. 323, to extend the sunset date for the right of first refusal for a motor vehicle fuel franchisee to July 1, 2002. The measure was recommended for the Consent Calendar.

## Crime Prevention

### "Photocop" bill debated

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Mar. 30. Sen. Roy Terwilliger (R-Edina) presented S.F. 1017, a measure that allows peace officers to detect traffic signal violations through photographic evidence. Under the bill, violations are considered petty misdemeanors and are cited to the owner or lessee of the vehicle. Terwilliger said that photo-enforcement is used in 40 foreign countries and in 14 states. Photo enforcement projects have determined that violations and accidents are reduced when drivers are aware that cameras will detect traffic signal violations, he said. A provision in the bill establishes that a city or town may by ordinance set a schedule of fines for photographically-detected traffic violations. Another provision specifies that equipment must capture evidence about the vehicle but not the occupants.

Law student Adam Richardson said he was concerned about the cost of photocopying, but even more concerned about rights to self-autonomy. According to Richardson, the bill compromises the individual's right to liberty and privacy protection as provided for in the U.S. Constitution. Ranum asked Terwilliger if he was aware of Constitutional challenges in other states. Terwilliger said that there have been challenges, but that the State Supreme Courts have ruled in favor of photographic traffic signal detection devices.

Sen. Leo Foley (DFL-Coon Rapids) said he was concerned that vehicle owners

would be given citations for violations that occur when someone other than the owner is using the vehicle.

Sen. Thomas Neuville (R-Northfield) offered an amendment partially addressing Foley's concern. Neuville said the amendment is "needed to ensure due process." The amendment establishes that it is an affirmative defense to a violation if the owner or lessee proves by a preponderance of evidence that the owner or lessee was not the driver of the vehicle at the time of the violation. Other amendments were adopted to establish that in addition to a petty misdemeanor penalty, a fine of up to \$100 may be imposed for violations and to clarify data provisions. The panel approved the bill and referred it to the floor.

Sen. Don Betzold (DFL-Fridley) authored S.F. 1374, a bill containing recommendations from the Dept. of Revenue. The portions of the bill of concern to the committee related to procedures for issuing search warrants for nontax criminal investigations that seek tax return information. The bill also makes provisions for the disposition of seized property and provides penalties for failure to pay taxes. Members approved the bill and re-referred it to the Tax Committee.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 1584. The bill requires the commissioner of corrections to reimburse members of the clergy per diem and travel expenses for imparting religious rites or instruction at correctional facilities. Cohen said inmates of the Jewish faith are not provided regular access to rabbis because rabbis are demographically concentrated in metropolitan areas and not as widespread as many clergy of other faiths generally are. Cohen offered an amendment, which was adopted, to specify that reimbursements be subject to the availability of money specifically appropriated for the purpose of the bill. Commissioner of Corrections Sheryl Ramstad Hvass said she objected to the amendment because of the fiscal impact. She also said the department prefers the volunteer-oriented culture that benefits the corrections system. The bill was not approved by the committee.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 1274, an integrated initiative to combat prostitution and other crimes affecting neighborhoods. The bill amends the presentence investigation (PSI) provision in the criminal code for any offense involving prostitution, a

firearm, or a controlled substance. Under the bill, the court must order a PSI for a gross misdemeanor conviction when requested by the prosecutor. Current law requires that a PSI report be conducted for felony-level convictions involving the sale or distribution of controlled substances and requires that the PSI include a report describing any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense occurred. Under the bill, an expanded PSI report is also required for any crimes involving prostitution, a firearm or a controlled substance.

Other provisions include enhanced criminal penalties for quality of life crimes such as prostitution, damage to property, motor vehicle tampering, dangerous weapons and local ordinances relating to the sale or possession of controlled substances. The penalty is increased from misdemeanor to a gross misdemeanor. A mandatory minimum sentence of 30 days imprisonment is specified in the bill for patrons found guilty of soliciting or accepting a solicitation to engage in sexual activities for hire while in a public place. In addition to several penalty enhancement changes, the bill also establishes a prostitution prosecution pilot project that authorizes the Ramsey County Attorney's Office and the St. Paul City Attorney's Office to prosecute misdemeanors, gross misdemeanors and felonies related to the bill. The goal of the pilot project is to reduce the number of prostitution offenses occurring in St. Paul by aggressively targeting and prosecuting these offenses, Kelly said. The bill was approved and re-referred to the Finance Committee.

Sen. David Knutson (R-Burnsville) presented S.F. 1944, a measure modifying the crime of nonsupport of a spouse or child. The bill specifies that when a husband and wife are living together, they are jointly liable for necessary medical services provided either spouse. A provision changes language related to the nonsupport of a spouse or child crime by clarifying that showing that the offender did not have a lawful excuse in failing to provide support is not an element of the crime that must be proven beyond a reasonable doubt by the prosecutor, but rather it is an affirmative defense. A provision also establishes a formula for determining gross misdemeanor penalties for nonsupport based on the amount of

money that is in arrears. A felony penalty is specified when a person is in arrears in an amount equal to or greater than nine times the person's total monthly support and maintenance payments. Amendments were adopted to detail procedures for sentencing and modifying criminal penalties related to the bill. Members approved the bill and referred it to the floor.

Sen. Dean Johnson (DFL-Wilmar) carried S.F. 2133, a measure establishing the Sexual Violence Justice Institute with the goal of providing expert, comprehensive resources and innovative approaches to prevent sexual violence. Under the bill, advisory councils representing diverse communities are created and protocol coordination projects are locally provided to ensure a victim-centered collaborative response to sexual assault cases. An amendment was adopted to authorize grants to the Minnesota Coalition Against Sexual Assault for the purpose of providing staff, legal assistance, technical support and other resources for related programs. The bill was approved and re-referred to the Finance Committee.

Sen. Satveer Chaudhary (DFL-Fridley) presented S.F. 1546, a bill that allows courts to stay adjudication in cases of driving after suspension, revocation, or cancellation of a drivers license. Chaudhary said the measure allows judges the discretion to stay adjudication for driving offenses in some cases, as outlined in the bill. Neuville offered an amendment, which was adopted, to exclude persons whose driving privileges were suspended, revoked or canceled for an impaired driving offense. Another amendment requires that the court must notify the commissioner of public safety when it dismisses the proceedings against a person or discharges the person without an adjudication of guilt as authorized. The bill was approved and referred to the floor.

Sen. John Marty (DFL-Roseville) authored S.F. 1324, a bill modifying weapons training requirements in the rules of the Board of Private Detective and Protective Agent Services. An amendment was adopted to clarify definitions and rules for training programs. The bill was approved and referred to the floor.

Following testimony by Public Defender John Stewart, S.F. 1118 failed to gain the committee's approval. The bill, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), redefines the crime of first degree manslaughter to prohibit eligibility

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for the lesser conviction in cases where the provocation is caused only by words. Stewart said, "It is not good public policy to change law. The opinion concerning 'heat of passion' has been in law since the 1800s." Stewart also said it should be left up to judges to determine whether or not the provocation is enough to justify instructing the jury about first degree manslaughter as an option to a first degree murder conviction.

## Tractor tampering prohibited

The Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), considered a variety of bills Weds., Apr. 4. Among them was S.F. 1004, a bill prohibiting the alteration of farm tractor clock-hour meters. The measure makes it a gross misdemeanor to deliberately tamper with a clock-hour meter to make it show fewer hours, and provides that a seller must disclose if a clock-hour meter is inaccurate. Sen. Becky Lourey (DFL-Kerrick), author of the bill, offered an amendment addressing concerns that language in the bill is more appropriate for car odometers than for tractor clock-hour meters. Farm equipment retailers support the amended version of the bill, she said.

Members proposed several amendments to Lourey's amendment. Sen. Don Betzold (DFL-Fridley) proposed deleting a provision that says it is illegal to advertise the sale of a device that alters the clock-hour meter. Senate Counsel pointed out that similar language appears in car odometer law, and the amendment was not adopted. Betzold also suggested that the seller should be required to provide written, rather than oral, disclosure if the meter is inaccurate. Jerry Schoenfeld, representing Farm Implement Dealers of Minnesota, said written disclosure is problematic because no official title is transferred during sale of a tractor. The amendment was not adopted.

Sen. Thomas Neuville (R-Northfield) proposed the deletion of a section making it illegal to operate a tractor, with intent to defraud, if the clock-hour meter is non-functional. He pointed out that intention to defraud is hard to prove. The amendment was adopted. Lourey's full amendment was then adopted, and the bill was re-referred to the Judiciary Committee.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) presented S.F. 1266, a bill allowing the court to sentence indigent offenders to community service in lieu of a

criminal fine. Beltrami County Attorney Timothy Faver said the county could make use of many more offenders doing community service. In order to give courts flexibility, members deleted a specification that the service be at the rate of \$5 per hour. The bill was approved and sent to the floor.

S.F. 881, authored by Sen. Leo Foley (DFL-Coon Rapids), authorizes the commissioner of public safety to provide grants for pilot projects that promote the understanding of mental illness among community police officers. Foley said, "Police officers don't have the appropriate training to deal with mentally ill subjects and the results have been disastrous." Sen. Linda Berglin (DFL-Mpls.) suggested that the grants be administered through the Police Officers Standards and Training (POST) Board. A corresponding amendment was adopted. Members also adopted amendments changing the membership of the community mental health peace officer advisory board and moving the due date for a report on the pilot projects from Jan. 1 to Jan. 15, 2003. The bill was advanced to the State and Local Government Operations Committee.

Sen. Satveer Chaudhary (DFL-Fridley) presented S.F. 846, authored by Sen. Richard Cohen (DFL-St. Paul). The bill allows a county attorney or the attorney general to access the criminal justice data communications network to find an individual's criminal background during proceedings to determine whether civil commitment as a sexual psychopathic personality is appropriate. The bill was approved and re-referred to the Judiciary Committee.

Chaudhary authored S.F. 1551, which extends the sunset date for the Arson Strike Force until June 30, 2005. Arson is the leading cause of property damage in Minnesota, but often remains an unsolved crime, Chaudhary said. He said the strike force unites a number of state agencies and organizations in helping local communities investigate arson. The bill was re-referred to the State and Local Government Operations Committee.

Chaudhary also carried S.F. 1937, a Dept. of Corrections housekeeping bill that became the vehicle for a number of measures related to corrections. Bills incorporated into the bill include measures specifying that sexual conduct between corrections employees and inmates is always a crime regardless of

consent; requiring the Dept. of Human Services (DHS) to perform background checks on behalf of the Dept. of Corrections (DOC); requiring a person who commits a sex offense to undergo an assessment of the need for treatment; providing that the DHS and the DOC develop a uniform licensing process for juvenile facilities; and requiring sex offenders to submit to HIV testing at the request of the victim.

Sen. Dave Kleis (R-St. Cloud) proposed an amendment addressing the fact that dogs have been removed from some correctional facilities. The amendment provides for the reinstatement of dogs and mandates a study of the effectiveness of dogs in providing security and finding contraband. DOC Commissioner Sheryl Ramstad Hvass said maintaining the dogs is quite expensive, they are not always effective, and police departments can provide dogs when facilities need them. Sen. Randy Kelly (DFL-St. Paul) said members cannot expect the DOC to perform its job efficiently if members second-guess every decision the agency makes. The amendment was not adopted. Members adopted two additional amendments. One makes technical changes and the other deletes a section of the bill that relates to annual reports. The bill was then re-referred to the Judiciary Committee.

Finally, members heard S.F. 863, carried by Kelly. The measure removes the classification of the drug Carisoprodol as a controlled substance. A federal government review has been pending for years, Kelly said, and no abuse of the drug has been reported. The measure was recommended for the Consent Calendar.

## Education

### Literacy bill approved

The Education Committee met Thurs., Mar. 29, to hear a variety of bills. Two bills developed in subcommittee—one relating to testing and assessment, and the other relating to reading—were discussed. Members also heard a bill repealing the Minnesota Education Finance Act of 1992.

A bill requiring school districts to use a locally adopted assessment method to identify children by the end of grade one, who are at risk of not learning to read by the end of grade two, was presented by Sen. Charles Wiger (DFL-North St. Paul). He said, "S.F. 3 states the Legislature's

literacy goal of having Minnesota children reading by the end of second grade.”

Michael Tillmann, from the Board of Teaching, said, “We’re not attempting to set a higher bar, we’re just trying to identify students who are at risk of not learning to read by the end of second grade.” Sen. Julie Sabo (DFL-Mpls.) said she is concerned the bill micro-manages reading. She said, “This isn’t our job. It’s the job of CFL and the district.” Sen. Sheila Kiscaden (R-Rochester) said, “It might be tough to predict at the end of first grade what’s going to be happening at the end of second grade.” Sen. Jane Ranum (DFL-Mpls.) disagreed. She said, “Research is overwhelming that by the end of second grade, reading assessment is a critical indicator of how children will do in school.” S. F. 3 was okayed and advanced to the floor.

S.F. 1307, authored by Sen. Sandra Pappas (DFL-St. Paul), committee chair, repeals the Minnesota Education Finance Act of 1992. The act was an effort to reform the present education finance system. However, the commencement date for the act has been delayed since 1994, when it was scheduled to begin, because there were implementation difficulties. S.F. 1307 was approved and advanced to the Tax Committee.

Sen. Anthony “Tony” Kinkel (DFL-Park Rapids) authored S. F. 2014, a bill that provides for grade 10 assessment testing. Kinkel said 32 percent of recent graduates need remedial study in reading and/or writing and/or math upon entering college. He said the grade 10 assessment test provides students with advanced notification of subject areas in which improvement is needed. Additionally, he said the Assessment Testing Subcommittee came to the conclusion that grade 10 was not too early for college assessment. Further, he said, the bill places the present grade 11 assessment test on hold.

Assistant Commissioner Jesse Montano, from CFL, opposed the bill. She said, “I believe mandatory testing is not the answer for solving the remedial education problem. Montano recommended that MnSCU and the University of Minnesota offer copies of tests for students who want to know if they have the necessary skills to enter college. Sen. Leonard Price (DFL-Woodbury) agreed with Montano. He said even though students are being tested, they still aren’t being remediated.

Sandra Johnson, from St. Cloud State University, also spoke in opposition to the bill. She said, “The problem is disengaged students and the whole idea of math standards is to engage students.” She said grade 10 testing is not constructive. The bill was amended to reflect two changes—deletion of the sections relating to statewide assessment and grade 11 testing. S. F. 2014, as amended, was approved and referred to the E-12 Education Budget Division.

<subheChild care funding examined  
Members of the Education Subcommittee on Early Childhood Education, chaired by Sen. Becky Lourey (DFL-Kerrick) focused on child care needs, when the panel convened Thurs., Mar. 29.

The subcommittee reviewed a bill, S.F. 1928, that requires CFL to research child care rates in order to determine the maximum amount provided for child care assistance. The measure, carried by Sen. Julie Sabo (DFL-Mpls.), also appropriates \$50,000 to the department for the study. Under the bill, the maximum rate paid for child care assistance continues to be limited to 75th percentile rate for similar services. The subcommittee laid the measure over for further discussion and possible inclusion in the panel’s recommendations to the full Education Committee.

The members likewise laid over S.F. 1881, authored by Sabo, which earmarks \$1 million for child care improvement grants. Under current law, the money must be used by nonprofit organizations to make loans to child care or early childhood education sites to design, and construct or expand licensed and legal unlicensed sites to increase the availability of child care or early childhood education.

The subcommittee also recommended discussion of S.F. 866, the CFL policy bill, and considered technical amendments to transitional housing, interagency coordinating council and child abuse provisions.

### **Dept. policy bill approved**

The Education Committee met Fri., Mar. 30, to hear testimony and make final changes to the Department of Children, Families and Learning policy bill, S. F. 866. The committee also heard a bill modifying the tobacco settlement and medical education endowment funds.

Final touches were put on the department’s policy bill, including 45

amendments, most of which were either technical or clarifying in nature. Some of the substantive changes included adding an open enrollment protection for districts, data privacy changes and a one-year extension for the limited English proficiency test.

S. F. 1753, the K-12 education repealer bill, was discussed as part of the bill. Sen. Sandra Pappas (DFL-St. Paul), committee chair and author of the bill, said the repealer bill passed the Senate twice but was never heard in conference committee. Several amendments were adopted repealing language in education statutes. Some panel members took exception to added language, which defines “public school” and “parental responsibility.” Therefore, the provision was deleted and the change was adopted. S. F. 1753 as amended was approved and incorporated into S. F. 866. Then, S. F. 866 as amended was approved and advanced to the Tax Committee.

Sen. Roger Moe (DFL-Erskine) presented S. F. 1431, a bill appropriating 72.5 percent of the January 2, 2002 settlement money to the medical education endowment fund and 27.5 percent to the healthy kids learn endowment fund. Additionally, the entire amount of settlement money received on January 2, 2003 is appropriated to the healthy kids learn endowment fund. Under the bill, the commissioner of health submits an annual report to the House and Senate Health, Human Services and Corrections Budget Divisions on the statewide and local projects funded with tobacco settlement money. According to the bill, “It is a goal of the state to improve the health of kindergarten through grade 12 students.” An amendment was adopted to include all children in the state’s goal. S. F. 1431 was approved as amended and sent to the floor.

### **Technology proposals outlined**

The Education Subcommittee on Technology, chaired by Sen. Satveer Chaudhary (DFL-Fridley), met Tues., Apr. 3, to discuss education technology proposals.

Chaudhary said, “The subcommittee has put together a very forward thinking but financially flexible schedule to advance education with technology in the twenty-first century.” He said, “In all the budget wrangling, our subcommittee is trying to keep the focus on a vision for Minnesota.”

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One time funding suggestions encompass telecommunications access revenue, improved technology and curriculum grants and an electronic library for Minnesota. Electronic parenting education software, an early childhood integrated data system and a state agency libraries upgrade were also recommended. The panel also suggested funding for a state-wide technology audit and a North Metro Technology Magnet School plan.

The subcommittee also proposed funding for E-12 technology. Chaudhary said on-going funding recommendations include regional library telecommunications aid, additional first-grade preparedness dollars, and additional operating capital for technology. Upgrades to the library for the blind are also recommended. Suggestions for E-12 technology include an optional computer leasing or levy program and a plan to capture excess teacher licensing fees.

Chaudhary said several bills were considered for incorporation in the higher education technology bill, including S.F. 279. He said Sen. Steve Murphy (DFL-Red Wing) authored the bill, which encompasses budget requests from MnSCU and includes system and campus based technology. The subcommittee suggests further

funding satellite services, especially Internet Satellite Service. "The subcommittee seeks to better bridge the digital divide by expanding Internet service over satellite," said Chaudhary.

The Higher Education Services Office (HESO) suggested an appropriation for Minitex and a state grant rewrite that will modernize and upgrade grant language and applications.

## Early childhood screening heard

Members of the Education Subcommittee on Early Childhood Education met Tues., Apr. 3, and turned their attention to development screening programs.

The subcommittee considered establishing a partnership between the Department of Children, Families and Learning (CFL) and the Department of Human Services (DHS) to coordinate early childhood assessment programs, as outlined in S.F. 2107, authored by Sen. Sandra Pappas (DFL-St. Paul). Representatives from DHS, CFL and the Department of Health described the three separate screening programs that currently assess children's cognitive, sensory and health development and provide counseling about developmental delays. Under the bill, CFL and DHS must recommend ways

of streamlining the programs to the Legislature by December 2001.

The bill also lowers from three to two the age at which children can be screened. "We are finding developmental issues, such as autism, that can be dealt with as early as 9 months," said Pappas. Michael Eastman from CFL said autism is a growing concern because of the unexplained rising number of children with autism. Children tested before the age of three, according to the bill, must be tested again after turning three.

The bill adds health and development history components to the required assessment. At the screening, said Pappas, parents will be asked to respond to questions about family health histories. Parents now are asked to submit the information voluntarily.

Sen. Michele Bachmann (R-Stillwater) asked if students enrolled at private schools are required to have a screening. Tammy Pust from CFL said they are exempt from the assessment. Sen. Becky Lourey (DFL-Kerrick), subcommittee chair, asked whether students going to private schools should be required.

The bill was laid over for possible inclusion in the subcommittee's recommendations to the full committee.



*Senators and staff gather in the great hall of the Capitol on Weds., Apr. 4, to observe students from Columbia Heights Valley View Elementary School give an example of the use of technology in education.*

*Photo by Shelley Hawes*

## E-12 Education Budget Division

### Gifted student funding heard

Funding bills and a bill removing school district pupil transportation requirements were heard by the E-12 Education Budget Division Mon., Apr. 2. All bills were laid over for possible inclusion in the omnibus bill.

Sen. Randy Kelly (DFL-St. Paul), author of S. F. 649, said the bill provides permanent funding for gifted and talented programs. Kelly said the bill creates a permanent gifted and talented revenue that is arrived at by multiplying \$10 times the district's adjusted marginal cost per pupil units. Using the formula, the bill provides approximately \$10 million per year for the program, he said.

S.F. 649 requires that revenue be used to develop a local process which identifies no less than 10 percent of a district's enrollment for gifted and talented services and provides additional staff development training to deliver gifted and talented instruction. Additionally, the bill requires that districts report annually to the local school board and to CFL regarding expenditures and outcomes of the local program.

Further, the bill requires that the commissioner of CFL establish a division for the program within the department beginning in FY 02, to provide development, oversight, services, and assistance to the program. Also, a uniform reporting system and a state accountability system is required by CFL, under the bill.

Steven Schroeder Davis, coordinator of gifted services in Anoka, urged support of the bill. He said, "Gifted children's needs exist and they are just as critical as those of special needs kids." He said, "About \$1 billion was spent on special education this year and nothing was spent on the talented and gifted kids." Additionally he said, there is a ratio of 80 teachers to 1 student in the gifted program while special education has a ratio of 15 teachers to 1 student. He said the bill provides program infrastructure, identifies gifted and talented children and aids in staff development. "A few years ago, the Legislature directed CFL to designate a person to head the gifted and talented program. Today, one-tenth of one person's time is responsible for Minnesota's 80,000 gifted and talented children," said Davis.

S. F. 762 was presented by Sen. Don Samuelson (DFL-Brainerd). The bill provides a cooperative secondary facilities grant of \$11.5 million through bond sales to ISD 486 Swanville and ISD 487 Upsala. Funding is used to construct a new grade 7-12 secondary school and to remodel and upgrade the Swanville High School to serve as the PK-6 elementary school in a newly consolidated school district. Gene Harthan, superintendent of Upsala and Swanville schools said both districts applied to CFL for funding to build new high schools but were told the districts did not qualify for funding because they did not have the required 66 pupil per grade ratio. He said passage of the bill will provide the needed facilities for both districts.

Two amendments were offered. An amendment that institutes a joint powers board to ensure the districts qualify for debt service equalization was adopted. Also adopted was an amendment making the bond issuance and the consolidation of Independent School Districts 486 and 487, contingent on the passage of the other propositions in the bill.

Sen. Leonard Price (DFL-Woodbury) authored S. F. 769, a bill appropriating a \$1.7 million grant to Tri District 6067 to complete construction, equip and furnish a new magnet school building. Sen. Leonard Price (DFL-Woodbury) said ten districts have students at the Crosswinds Magnet School: Inver Grove Heights, Mahtomedi, Maplewood, North St. Paul, Roseville, South St. Paul, South Washington County, St. Paul, Stillwater and White Bear Lake.

Anne Anderson, Crosswinds Magnet School said the school's focus is on arts and science and is an inquiry-based school. Sen. LeRoy Stumpf (DFL-Thief River Falls), committee chair, asked why more funding was needed. Anderson said an agreement with the school district was made to issue bonds for \$17.7 million but \$1.7 million was inadvertently excluded from the bond request, which resulted in a shortfall.

A bill removing pupil transportation requirements and allowing transportation fees was authored by Sen. Martha Robertson (R-Minnetonka). Robertson said S.F. 1196 is the result of a request from the Hopkins school district to allow for flexible transportation funds. She said the bill allows districts to charge fees for regular school transportation, extra-

curricular activities transportation and for transportation for participants in early childhood family education programs. However, she said the bill exempts students who are eligible for free or reduced lunch and special education students and makes charter school student transportation the responsibility of the charter school. Additionally, the bill requires transportation fees be divided equally to students attending public or non-public schools. Further, said Robertson, the bill limits fees for regular school transportation based on the statewide average cost of regular transportation for a pupil minus any transportation sparsity revenue and transportation transition revenue.

David Shapley, Hopkins Schools service director, said there has been a 26 percent increase in transportation costs over the last 3 years. Shapley said the problem is that transportation programs are underfunded. He said, "We're looking for local control and a dialogue with the community to establish a transportation program that fits the needs of the district." He said the bill addresses equity.

Robertson said, "I don't see where in the constitution it says we need to transport children. The district wants dialogue to get some flexibility for funding dollars." Bob Meeks, of the Minnesota School Boards Association, opposed the bill. He said, "Transportation is a necessity—not a luxury. There are reasons we have the transportation provisions we have." Further, he said, "I suggest we look at a study of the good and bad results before we go down this road."

S. F. 361 was presented by Sen. Dean Johnson (DFL-Willmar). The bill reinstates categorical funding for transportation. A transportation formula allowance, a base year softening formula, and a transportation sparsity revenue allowance are outlined in the bill. Additionally, inflation factors are built-in, and categories of eligibility and school bus purchase aid are detailed. Special education base revenue is also addressed.

### Student program bills heard

The E-12 Education Budget Division heard several bills Mon., Apr. 2, that were laid over for possible inclusion in the omnibus bill. Sen. LeRoy Stumpf (DFL-Thief River Falls) chaired the division meeting.

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Sen. Linda Higgins (DFL-Mpls.) authored S. F. 497, a bill appropriating \$5 million for the adolescent parenting grant program. Higgins said, "The program is doing good things. If there is no support for students to stay in school, they loose out and their children loose out."

Nancy Nelson, Minnesota Organization for Adolescent Pregnancy Prevention and Parenting executive director, said, "We need increased funding to break the cycle of poverty." She said funding provides resources for staff to aid adolescent parents in several areas, including, career training, high school graduation and parenting education. She said, "We are creating the next generation of children in need unless we help break the cycle." Jill Johnson, Thief River Falls Teenage Pregnancy and Parenting Program coordinator, said 90 percent of the program's adolescent parents graduate and go on to higher education. She also said the subsequent pregnancy rate is very low among students in the program.

S. F. 292 was presented by Sen. Dave Kleis (R-St. Cloud). The bill appropriates \$50,000 in both FY 02 and FY 03 for a grant to the Boys and Girls Clubs of Central Minnesota for an after-school educational enhancement pilot program for low-income youth.

Mark Sakry, executive director of the St. Cloud Boys and Girls Club, said, the program focuses on computer literacy with mentor programs between college students and at-risk youth.

Stumpf asked if the club has applied for after-school enrichment grants through CFL. Sakry said there are no funds left. Tammy Pust, from CFL, said the club does qualify for a competitive grant program, but the department was approached at the end of the funding cycle and no funds were left.

Sen. Dean Johnson (DFL-Willmar), authored S.F. 421. The bill provides \$22 million for youth programs. Johnson said, "I have a resolution from 80 school districts, which includes 26 cities and 57 advisory councils, supporting this bill." Bev Struxness, from Appleton, said the purpose of the program is to reach out to high risk kids whose parents don't have the resources to pay for programs for their children.

A bill providing revenue for extracurricular activities for students was authored by Sen. David Tomassoni (DFL-Chisholm). Tomassoni said, under S.F.

1650, a school district is eligible for activities revenue equal to the amount necessary to pay the costs of students participating in extracurricular activities. He said the bill provides a funding formula for levies for activities and aid. "We're trying to get funding for activities that have always been funded by the districts because at some point parent's ability to pay activity fees is tapped out," he said.

John Frederickson, the International Falls school superintendent, said that recreation departments and community education programs are suffering from the budget cutting process.

S. F. 1632, a bill appropriating \$308,000 to the Commission on National and Community Service for the service learning program was presented by Sen. Jane Krentz (DFL-May Township). Sue Gunderson, executive director of Sustainable Resources Center, said, "The services learning program is a catalyst. It gives young people an opportunity to renew and improve their learning."

Sen. Gen Olson (R-Minnetrista), author of S. F. 2090, said the bill appropriates \$1.4 million for adult basic education supplemental service grants. Sherry Munyon, from Capitol Hill Associates, said the program is no longer funded because of a change in federal guidelines. She said, the program is not included in the governor's budget and the bill provides continued funding." Effects of lost funding include a loss of technical resources, decreased educational quality for adult learners and inadequate staff development, she said.

Lourey presented S. F. 944, a bill appropriating \$25 million for Minnesota economic opportunity grants. Dale Anderson, from the Ramsey Action Program, spoke in support of the bill. He said, "We deal with poverty issues such as Head Start, energy assistance, affordable housing and senior nutrition. The program focuses on outcomes and puts money where low-income people live." Tarryl Clark, from Minnesota Community Action Association, said the goal of the program is to be responsive to communities.

Krentz asked committee members to support S. F. 905, a bill providing \$1 million for the lead hazard reduction project. She said, "Prevention is cheaper than dealing with it after the fact." Gunderson, speaking in support of the bill, said lead poisoning is the number one

environmental health threat to children.

Presently, the program is only screening 25 percent of the children at risk of contracting lead poisoning, said Gunderson. She said, "We plan to do a massive screening of medicare kids in the state over the next two years and provide an outreach and education segment to the program."

S. F. 946, authored by Sen. Julie Sabo (DFL-Mpls.), appropriates \$20 million for after-school enrichment grants. Sabo said the bill adds accountability and gives priority to applicants who acquire matching funds. Jim Grathwol, from Minneapolis Public Schools, said the purpose of the bill is to increase resources targeted for children in need and at risk. "The program insures grantees are leveraging funds and showing results."

## Levy bills considered

The E-12 Education Budget Division met Tues., Apr. 3, to hear several levy bills that were all laid over for possible inclusion in the omnibus bill. Sen. LeRoy Stumpf (DFL-Thief River Falls), chaired.

Sen. Roger Moe (DFL-Erskine) presented S.F. 1304, a bill allowing health and safety revenue to be used for project financing costs. Moe said it makes more sense to borrow money while interest rates are low, to complete projects in one year, rather than doing the projects in stages. He indicted the benefits of financing the entire project with one loan makes a facility available sooner and saves money by reducing interest costs.

Moe also carried S.F. 1574, a bill authorizing a severance levy for the Crookston School District. Moe said the bill allows the district to levy up to \$200,000 annually for 5 years to offset the costs of severance and early retirement incentives. He said, "The district has already made \$2 million in budget cuts over the last 3 years and is in the process of developing a plan to further reduce costs by \$1.5 million from FY 01 to FY 03." Crookston is a large, agricultural district with declining enrollment and needs authorization for a levy to remain solvent, he said.

Sen. Charles Berg (R-Chokio) presented another severance levy. He said S.F. 177 authorizes an annual levy of up to \$150,000 for 15 years for severance and early retirement benefits for employees who retired as a result of the district's consolidation with three other districts in



1996. Crookston School Superintendent Roger Munsterman said by 2010, 59 percent of the present staff will retire at a cost of nearly \$62,000 per retiree and the district cannot afford the outlay with a \$12 million budget.

An additional severance levy bill was introduced by Sen. Don Betzold (DFL-Fridley). S.F. 293 authorizes a levy for the Fridley School District, in the amount of \$200,000 annually for a five year period. Betzold said the levy will cover the costs of severance and early retirement incentives for licensed employees who have retired early. He said the bill will allow the district to solve the shortfall problem locally with a levy that is 2 percent of the anticipated net tax capacity.

The fourth retirement levy bill was presented by Sen. David Tomassoni (DFL-Chisholm). S.F. 1014 extends the Hibbing School District levy for retired employee health benefits. Scott Wirtanen, Hibbing Public Schools business manager, said the levy replaces the \$300,000 cap on the present statute with a levy providing 90 percent of actual expenditures for those retired employees who qualify for health benefits.

Tomassoni also carried S.F. 166, a bill allowing school districts to use a formula-driven levy. The purpose of the levy is to maintain historic school buildings. There are only five districts that qualify for the levy, he said.

Sen. Charles Wiger (DFL-North St. Paul) authored S.F. 651, a bill allowing a levy for operational costs for school district swimming pools. Wiger said a levy is in place for ice arenas and should also be allowed for swimming pools. He said the projected annual cost of the levy is \$7.8 million.

Sen. Lawrence Pogemiller (DFL-Mpls.) carried S.F. 2051, a bill expanding the use of the building lease levy. Pogemiller said Technology and Informational Educational Services (TIES) has been leasing space from the district for many years and there is not enough room to accommodate the staff. He said the service would like to purchase a facility outright.

Sen. Twyla Ring (DFL-North Branch) authored S.F. 85, a bill extending the disabled access levy for the Pine City School District. Ring said the school district didn't need the entire amount levied when it was available and now has additional needs and is requesting the

unused funds be restored. Under the bill, the district is allowed to levy an amount up to \$196,000 from July 1, 2001 to June 30, 2006.

Sen. Jane Ranum (DFL-Mpls.) presented S.F. 953, a bill authorizing a levy that allows school districts to utilize a more thorough background screening of future employees than the system that presently exists. Marv Swanson, Richfield School District's director of personnel, said, "Many districts would like to outsource background checks used to detect and prevent the employment of individuals with criminal and violent backgrounds." He said the new background check system costs between \$50 and \$100 per hire.

### **Remedial responsibility bill heard**

The E-12 Education Budget Division met Weds., Apr. 4, to hear a variety of bills.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) presented S.F. 2014, which originally related to grade 10 testing. However, two amendments were adopted—one relating to a plan that reduces college remedial work and another that requires Minnesota school districts to pay all costs of remedial courses, excluding tuition, taken by former students attending a Minnesota college within one year of graduating from high school. Kinkel indicated there are two exceptions to the requirement. If the student attended high school for less than two years preceding graduation, the district is not liable for remedial costs. The school district is also not liable for remedial costs if the district has an agreement with an institution of higher education to give placement tests in high school and the student took the appropriate remediation courses while in high school. The two amendments replaced the original bill after a delete all amendment to S.F. 2014 was also adopted.

Under the bill, a plan to reduce the need for developmental education in higher education is to be submitted by CFL and MnSCU in consultation with high school students, parents and teachers.

Sen. Keith Langseth (DFL-Glyndon) presented S.F. 572, a bill appropriating money for a new teacher mentor pilot program. Langseth said the bill provides mentor and peer assistance to novice teachers. He said mentor relationships have been found to have the strongest effect on beginning teachers in their

decision to remain in the classroom. The turnover in classroom teachers is high and some areas have a very small pool of qualified teachers. This is a program to help retain teachers, he said. Under the bill, \$295,000 in FY 02 and \$265,000 in FY 03 is appropriated for the new teacher mentor pilot program.

Langseth also authored S.F. 945, a bill appropriating \$30 million to basic support grants for libraries. Ann Hutton, of Pelican Rapids, said libraries have not had funding increases and money is needed for basic support. Sen. Gen Olson (R-Minnetrista) urged support of the bill. She said, "Libraries are an efficient way to use dollars and I support any amount of funding we can find to help them."

S.F. 1720, a bill appropriating \$1.5 million in FY 02 and FY 03 for multi-county, multi-type library systems was carried by Sen. David Tomassoni (DFL-Chisholm). Tomassoni said the bill provides a \$597,000 increase over the governor's recommended base appropriation of \$903,000. Sue Meyer, Becker High School media specialist said multi-type libraries provide access to books and references not at school libraries, a back-up reference service and free training and workshops.

Sen. Martha Robertson (R-Minnetonka) authored S.F. 2232, a bill providing an alternative teacher compensation system. Robertson said to qualify for the compensation system, a district develops a system accountability and educational improvement plan establishing comprehensive measures of school district, school site, teacher, and individual student performance.

The bill also establishes a restructured system, a teacher professional pay ladder, and additional days for probationary teacher induction and mentoring. Alternative compensation aid and technical assistance are also established under the bill.

The educational excellence article of the governor's E-12 education funding bill was also discussed. Tammy Pust, from CFL, spoke to the issue of assessment testing and safeguards the department has put in place as a result of students receiving false scores on tests last year. Jesse Montano, from CFL, said, "We have put extensive quality control measures in place to make sure this never happens again."

Teacher compensation was highlighted by Pust. She said, "We need to

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make sure that teacher compensation is tied to student outcomes and expectations." She also said the department is interested in changing how teachers are compensated in the long-term as well as looking at career options for teachers that don't take them out of the classroom.

Other topics covered by the department included American Indian education and education excellence.

## Education tech promoted

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), heard bills supporting the use of technology in education Weds., Apr. 4. Sen. Satveer Chaudhary (DFL-Fridley) presented the recommendations of the Subcommittee on Technology, as drafted in S.F. 1845. The recommendations were heard and set aside to be considered for inclusion in the omnibus funding bill.

Chaudhary's bill incorporated bills carried independently by other members. S.F. 1672, authored by Sen. Steve Kelley (DFL-Hopkins), appropriates \$18.5 million annually for the Telecommunications Access Revenue Program (TARP), which equalizes differing telecommunications access costs for school districts around the state. The governor has only proposed funding for the first year of the biennium, according to Kelley.

The bill also provides support for regional libraries. The measure appropriates \$3.6 million to public libraries to allow them to connect to centralized databases. Peg Werner of the Viking Regional Library said the funding gives library patrons across the state access to journal databases, search engines and the Internet. A second provision allocates \$750,000 to ensure continued access to magazine, newspaper and reference databases for public library users. Werner explained that libraries must pay a fee to subscribe to many databases.

Two bills carried by Sen. Ann Rest (DFL-New Hope) also appear in the subcommittee's recommendations. S.F. 1537 appropriates \$238,000 in FY 2002 and \$194,000 in FY 2003 to provide upgrades to the library for the blind in Faribault. The funding will upgrade an outdated computer system, install a telecommunications line and provide additional staff, Rest said. Library user Jane Toleno emphasized the growing need for the library in light of the increasing

number of elderly people in the state. Current staff cannot keep up with the high demand for library materials, she said.

S.F. 1719, also carried by Rest, appropriates \$246,000 over the biennium to provide an online catalogue system in state agency libraries. Barb Golden from the Minnesota State Law Library said the appropriation integrates state library holdings into standard online catalogs, allowing citizens to access the many unique items available in state agency libraries. Patrons will find the same level of online information about state agency library collections that is customary at public libraries, Golden added.

Aspects of S.F. 1726, authored by Sen. Jane Ranum (DFL-Mpls.), are included in Chaudhary's bill. The measure requires that standards developed by the International Society for Technology Education be included in state graduation standards. The bill also calls for a statewide audit of the status of technology in schools. In addition to the proposals included in Chaudhary's bill, S.F. 1726 also provides for the formation of a work group to plan for technology integration in K-12 education.

Chaudhary's bill also contains a proposal to create a separate account for the deposit of teacher licensing fees. Under the bill, the account will be used to automate the license processing system and provide continuous learning programs for licensed teachers. In addition, the bill allocates \$10 million for additional all-day kindergarten sites that use an electronic curriculum; \$30 million for grants to schools that wish to upgrade technology and train staff in using technology in the classroom; \$200,000 to create an interactive electronic parenting education program; and \$250,000 to create a data system to document the effect of early childhood education on later education.

In other business, the division heard two bills authored by Sen. Becky Lourey (DFL-Kerrick). The bills address the problem of severely deteriorated schools facilities in the East Central School District in Sandstone. S.F. 380 appropriates \$15 million as a grant from the general fund, and S.F. 394 authorizes a \$19 million maximum effort capital loan to be financed by bond sales. Norm Chaffee of the Dept. of Children, Families and Learning (CFL) testified on the poor condition of schools in the district. The elementary school is 100 years old, he said,

and the high school, although built only 22 years ago, is located on waterlogged land, causing a severe mold problem. Representatives of the school district said the situation is at a crisis point.

Sen. Charles Wiger (DFL-North St. Paul) carried S.F. 1200, a bill dedicating a CFL staff position to school media programs. Judy Bull of the North St. Paul School District said there is currently no one to answer questions on the design and management of school media centers. The bill appropriates \$90,000 annually for a staff position and \$100,000 in 2002 for a study of the present status of media centers and the impact media has on student learning.

## Higher Education Budget Division

### Capital investments okayed

Members of the Higher Education Budget Division assembled Weds., Apr. 4, and approved two capital investment bills.

The first, sponsored by Sen. Cal Larson (R-Fergus Falls), permits the board of Minnesota State Colleges and Universities (MnSCU) to accept facilities as gifts. The bill allows people to donate recreational centers, student unions, dormitories and other similar endowments, whereas currently only monetary gifts can be accepted. "The bill is another tool to bring more money to campuses for the benefit of students," said Laura King, vice chancellor of MnSCU. The bill, S.F. 2126, was recommended to pass and referred to the Education Committee.

The second bill, S.F. 1742, appropriates \$15.9 million of bond proceeds to the University of Minnesota and MnSCU for emergency facility repairs. Eric Kruse, vice president of University of Minnesota Services, said, "We used three criteria to determine emergency items: failure of a facility or system or expected failure in less than one year, citation from a code official or an order from an outside regulator to fix something, or an immediate action necessary to avoid legal action or financial liability." The University and MnSCU provided a list of needed emergency repairs that includes roof replacements, waterproofing, elevator and accessibility improvements and other repairs. The bill, sponsored by Deanna Wiener (DFL-Eagan), was recommended to pass and advanced to the full committee.

## Environment and Natural Resources

### Trapping bills heard

Members of the Environment and Natural Resources Committee faced an ambitious agenda Thurs., Mar. 29, in the final meeting before the committee deadline for Senate bills. Debate centered around game and fish issues presented in three bills, which were incorporated into an omnibus game and fish bill. Committee Chair Jane Krentz (DFL-May Township) presided.

S.F. 805, authored by Sen. Pat Pariseau (R-Farmington), modifies the tagging requirements for fur-bearing animals. Current law requires a fisher, pine marten or otter to be both tagged at the trapping site and registered later with a state wildlife manager. Gary Meis, speaking for the Minnesota Trappers Association, said tagging is problematic because animals are often frozen when found. Consequently, conservation officers are suspicious of trappers whose tags do not show signs of having been forced through a frozen animal. This leads to conflicts between trappers and conservation officers, Meese said.

Ed Boggess, Department of Natural Resources (DNR), said fur-bearing animals are sensitive to over harvest, and eliminating the tagging procedure makes it easier for trappers to take more than the limit. Krentz suggested a compromise eliminating the tagging requirement until Mar. 1, 2003, at which time the changed procedure can be reevaluated. Such an amendment was adopted and the bill was temporarily set aside.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) carried S.F. 1161, a measure relating to yellow perch limits. Kinkel's bill sets the daily limit at 20 and the possession limit at 50. The DNR lowered the perch limit once last year, he said, and planned to further decrease the limit to 20 daily, 30 in possession. Pat Rooney, owner of Denny's Resort on Lake Winnibigoshish, said last year's reduction has already effected a dramatic decrease in angling pressure on the lake. A further decrease, Rooney said, will drive resort owners in the area out of business.

Ron Payer spoke for the DNR, saying that catch rates and average size for perch have decreased regularly over the past several years. He proposed a compromise

limit of 20 daily, 40 in possession. Price offered an amendment retaining Kinkel's limits but changing the expiration date for the bill from 2006 to 2004. Payer said staying with the higher limit risks damaging the perch population. Price's amendment was adopted and the bill was temporarily laid aside.

Krentz carried a DNR game and fish policy bill, S.F. 1298. The most contentious provision in the bill relates to the trapping of turtles. The bill allows a person with a turtle seller's license to use up to 40 submerged and 40 floating turtle traps. Krentz offered an amendment completely banning the commercial taking of turtles. Sen. Charles Berg (R-Chokio) countered with an amendment doubling the number of traps a commercial trapper may use.

Turtle trapper Rex Campbell testified in support of Berg's amendment. He said it is difficult to operate with a 40 trap limit, since conservation officers often require him to dry the traps completely before transferring them between bodies of water. John Moriarty of the Minnesota Herpetological Society supported Krentz's amendment. He said that turtles take a long time to mature, are slow to migrate into new areas, and have a high hatchling mortality. Krentz added that neighboring states have banned turtle trapping, which is likely to increase pressure on turtles in Minnesota if trapping is still allowed.

Members divided Berg's amendment and approved the first portion, which defines turtles as private aquatic life, belonging to the aquatic farmer. The second portion of the amendment, which raises the allowed number of traps, was defeated. Krentz withdrew her amendment. Members adopted an amendment, offered by Sen. Ellen Anderson (DFL-St. Paul), allowing current turtle trappers to renew their licenses but prohibiting the issuance of new licenses. The committee also adopted two amendments offered by Sen. Leonard Price (DFL-Woodbury). The first allows trappers to obtain 80 tags for traps, so that 40 traps may be used while the other 40 are drying. The second requires trappers to keep a log of the number and location of turtles trapped. S.F. 805 and S.F. 1161 were incorporated into S.F. 1298 and the omnibus bill was advanced to the floor.

Members also approved three less controversial bills. S.F. 793, carried by Sen. David Tomassoni (DFL-Chisholm), increases to 16 years the time in which a

county must repay a state grant given for construction of a solid waste transfer station. A situation in St. Louis County prompted the bill, Tomassoni said. S.F. 1872, authored by Kinkel, authorizes the commissioner of transportation to acquire certain trust fund land in Beltrami County. The two bills were sent to the floor. S.F. 1496, authored by Sen. Steve Murphy (DFL-Red Wing), allows a watershed management organization to levy a tax within a subwatershed unit for projects that affect only the subwatershed. The measure was advanced to the Tax Committee.

Finally, a measure authored by Sen. Don Samuelson (DFL-Brainerd) failed to pass. The bill provides that a fishing contest with fewer than 40, rather than 30, participants may conduct the contest without a permit.

### Forest management debated

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), considered six bills Tues., Apr. 3. Two bills, related to issues of forest management, elicited considerable debate.

S.F. 1510, carried by Sen. Jane Krentz (DFL-May Township), provides for the continued functioning of the Forest Resources Council (FRC). Krentz said her bill increases the budget for the FRC, provides for increased public comment and moves the sunset date for the council to 2005. Ron Nargang, a member of the FRC and the Nature Conservancy, said the council works to make logging practices resemble natural processes while providing enough wood fiber to meet the state's needs. "The FRC has become a forum for open and honest dialogue about issues of forest maintenance," he said. Citizen environmentalist Jeff Latzka spoke against the bill, saying the FRC is dominated by vested interests and does not adequately protect old growth forests.

Members debated the factors that regional advisory committees consider when developing a forest resource plan. The original bill referred to an "assessment of economic, social and environmental conditions." Sen. Dan Stevens (R-Mora) proposed adding "wildlife habitat" to the list. Stevens' amendment was adopted. Several members found the use of the word "social" inappropriate in an environmental context, and an amendment was adopted changing the word to "demographic." The

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bill was approved and sent to the State and Local Government Operations Committee.

Sen. David Tomassoni (DFL-Chisholm) carried S.F. 1387, the Dept. of Natural Resources (DNR) forestry bill. Bruce ZumBahlen, DNR, said the bill includes provisions regulating the harvest of decorative boughs from forests. Under the bill, a person may not remove more than 100 pounds of decorative boughs from private or public land without written permission.

Confusion arose over whether a person needs a DNR permit to remove fewer than 100 pounds of boughs from state forest land. ZumBahlen said the DNR requires a permit for harvesting any amount of trees or boughs from state land. Members said the statute appears to allow a person to harvest fewer than 100 pounds from either private or public land without any form of permission. The bill was laid over for clarification.

S.F. 795, authored by Stevens, ensures continued access to snowmobile trails. The bill provides that if the state acquires land with easements for trails, the state must continue the easements or develop an alternate route. Stevens offered an amendment creating an exception to statute for two trails in Mille Lacs and Pine Counties. The trails include bridges over protected rivers, Stevens said, and snowmobiles are technically not allowed to cross the rivers under current law, even though they are using an old railroad bridge. The amendment was adopted and the bill was advanced to the floor.

Sen. Dennis Frederickson (R-New Ulm) carried the annual state park boundary bill, S.F. 1082. Bill Morrissey, DNR, outlined the changes proposed in the bill. The bill adds land to Fort Ridgley, Bear Head Lake, Nerstrand Big Woods, Lake Bronson, Forestville, Split Rock Lighthouse, Lake Shetek, Garden Island, G. Crosby Manitou and Cascade State Parks, he said, and deletes land from the Big Bog State Recreation Area. Landholders have agreed to all of the sales, Morrissey added. Members adopted two amendments adjusting boundaries and advanced the bill to the floor.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) carried S.F. 1126, the omnibus tax-forfeited land bill. The bill allows for the public or private sale of specific parcels of tax-forfeited land across the state. All of the proposals had been considered earlier in subcommittee.

Members adopted an amendment, offered by Stevens, to approve the conveyance of a parcel of land to the Benton County Historical Society. The bill was sent to the floor with a recommendation to pass.

Finally, members heard S.F. 1785, a Pollution Control Agency technical bill. The bill modifies a definition of "air emission source" and changes the due date for the annual pollution report to April 1. The bill was approved and sent to the floor.

## Environment and Agriculture Budget Division

### Ag technology center considered

Three funding requests were before the Environment and Agriculture Budget Division Thurs., Mar. 29. The bills were discussed and set aside to be considered for inclusion in the omnibus funding bill. Division Chair Leonard Price (DFL-Woodbury) presided.

Sen. Dean Johnson (DFL-Willmar) carried S.F. 532, a bill allocating funds for a building to house the Center for Agricultural Innovation in Olivia. Steve Dirks of Olivia said the center works to expose agriculturally innovative techniques to the world. "What some people are thinking about in agriculture is what some folks in Renville County are doing now," he said. Dirks said the center is asking for pre-design money this session and will request a larger sum from bond proceeds next year. Members adopted an amendment specifying that \$50,000 is appropriated from the general fund, rather than from bond proceeds, and is to be matched with \$50,000 from non-state sources. The center has already received some grants and private funds, Dirks said.

The division also heard two bills authored by Sen. Jim Vickerman (DFL-Tracy). S.F. 1749 appropriates \$100,000 over the biennium for the Passing on the Farm Center. Carol Rike of Minnesota West College in Granite Falls described the center as a catalyst that brings together the entities necessary for transfer of a farm. The center assists with transfers from parents to children and also works to connect beginning farmers with retiring farmers, she said. Educational seminars are a major component of the center's activities, Rike added. She said that 20 farm transitions are currently in progress.

Vickerman's second bill, S.F. 1005, provides funding for the Lewis and Clark rural water system. Red Arndt, Luverne Public Utilities, explained that wells are very shallow in Southwestern Minnesota. A regional project involving Iowa and South Dakota, he said, is building a pipeline from an aquifer to provide a reliable water supply. The bill appropriates \$25,000 each year to cover the expenses of the Lewis and Clark Joint Powers Board and \$54,000, to be matched by \$432,000 of federal money, for design and acquisition activities related to the rural water system.

### Organic farming promoted

Bills relating to forest management and to organic farming were before the Environment and Agriculture Budget Division Tues., Apr. 3. Members heard testimony on the bills and set them aside to be considered for inclusion in the omnibus funding bill. Sen. Leonard Price (DFL-Woodbury), division chair, presided.

Sen. Douglas Johnson (DFL-Tower) carried S.F. 835, a bill appropriating \$302,000 in start-up funds for a master logger certification program. Jerry Birchem, president of Birchem Logging, said major lumber retailers are increasingly asking for certified wood, because consumers want a guarantee that the wood was harvested in a sustainable manner. Minnesota loggers practice responsible logging, Birchem said, and a certification program would guarantee that those methods meet the standards set by major retailers. "There's a huge misunderstanding of the good forest management we have in Minnesota," Johnson said.

Ray Kilmer, Minnesota Timber Producers Association, spoke against the bill. He said various inspection programs already exist, and asked members to fully fund DNR forestry programs before initiating a new program. Members revised and adopted the House language for the bill before setting it aside.

S.F. 1151, authored by Sen. Becky Lourey (DFL-Kerrick), allocates \$7.9 million for a variety of DNR forest management programs. The DNR currently lacks the staff necessary for adequate forest management, she said, and the bill increases the number of employees involved in field services, tree planting and forest inventory. Kilmer said the bill gives the DNR the ability to work with the logging industry and manage forest

resources according to the agency's plan. Donald Janes of the Sierra Club objected to a portion of the bill that funds the Forest Resources Council.

S.F. 862, carried by Sen. Twyla Ring (DFL-North Branch), supports the forest ecosystem in local communities. The bill appropriates \$1 million over the biennium for grants to promote forest health and \$600,000 for tree planting. Mark Stennes, president of the Minnesota Society of Arboriculture, said the funding ensures that efforts to suppress oak wilt experience success similar to programs that controlled Dutch elm disease. "Trees are an important component of our urban environment and we have a tendency to undervalue mature shade trees," he added.

Lourey also carried S.F. 1003, a bill providing \$400,000 over the biennium to fund the Minnesota Institute for Sustainable Agriculture (MISA). The institute disseminates sustainable agriculture information to farmers across the state, she said. Sen. Pat Pariseau (R-Farmington) asked why the state should subsidize such a profitable industry, since many sectors of agriculture are struggling. Farmer Joel Rosen of Mahtowa pointed out that the funding is for educational programs, not subsidies to individual farmers.

Sen. Steve Dille (R-Dassel) carried a second bill related to sustainable agriculture. The bill, S.F. 1970, provides \$370,000 to restore base funding for organic cost-share grants and grants to MISA. The bill also allocates \$350,000 to the dairy diagnostics program. David Weinand, Dept. of Agriculture, said the dairy diagnostic program has provided \$1.2 million in grants to small and medium sized dairy farmers to help them enhance the profitability and sustainability of their farms. In addition, the bill restores funding for the biological control facility, allocates funds to mitigate inspection fee increases imposed on dairy producers, and supports efforts by the University of Minnesota to develop business planning software for farmers.

Ring presented two bills that support organic farming. The first measure, S.F. 1357, appropriates \$370,000 over the biennium to the Dept. of Agriculture to restore base funding levels for organic cost-share and information and demonstration grants, grants to MISA, and sustainable agriculture demonstration grants. The second bill, S.F. 1509, appropriates \$100,000 over the biennium to assist

farmers with the costs of organic certification. The bill limits the amount of a payment to a farmer to \$200 annually for up to five years.

Several people testified in support of the two measures. Keith Warner, a food industry consultant who works with Cennex Harvest States, said, "Many major food companies are getting involved in organic foods." He said consumer attitudes are changing and the demand for organic produce is growing. Jim Riddle, chair of the Department of Agriculture Organic Advisory Council, explained the environmental and health benefits of organic farming. He also said organic farming is market driven and farmers who use organic methods do so in order to make money.

Finally, members heard S.F. 1235, which provides funding for programs operated by Soil and Water Conservation Districts (SWCD). Dille, the bill's author, said the districts operate the most popular environmental programs in the state. Leann Buck of Minnesota Area Soil and Water Conservation Districts said the districts work with landowners and farmers to provide technical assistance. The bill provides \$1 million over the biennium for special projects cost share, \$1.2 million for feedlot water quality programs and \$611,400 for non-point engineering technical assistance programs.

### River projects considered

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), devoted the lion's share of the Weds., Apr. 4, hearing to consideration of bills dealing with rivers in Minnesota.

S.F. 1734, authored by Sen. Leo Foley (DFL-Coon Rapids), appropriates money for the Mississippi riverbank stabilization project in the Coon Rapids Dam Regional Park. John VanDeLinde, director of the Anoka County Parks and Recreation Department and Chris Lord, district manager of the Anoka Soil and Water Conservation District, testified in support of the bill. According to Lord, the erosion of the riverbank near the Coon Rapids Dam and the manmade Cenaiko Lake have accelerated since the high waters of 1997. He said if the stabilization project does not go forward, existing trails, shelters, playgrounds, restored prairie, the trout lake, power transmission line and several homes are endangered by the continued erosion. The bill appropriates

\$300,000 to the Board of Water and Soil Resources for a cost-share grant to the Anoka Conservation District for the project.

Members also heard a bill appropriating money for the Cannon River Joint Powers Board for resource protection. S.F. 1025, authored by Sen. Steve Murphy (DFL-Red Wing), appropriates \$350,000 to improve and protect water quality, to provide education and outreach to communicate resource knowledge to citizens in the area, to develop strategies for conservation implementation and to provide a monitoring and evaluation plan to track resource progress. Murphy said the joint powers board is comprised of members from the affected counties and interested parties.

The third measure relating to rivers, S.F. 596, provides an appropriation to implement the plan required by the Lower St. Croix Wild and Scenic River Act. The bill, sponsored by Sen. Jane Krentz (DFL-May Township), provides for a full-time Dept. of Natural Resources employee, to act with a counterpart in Wisconsin, to serve as staff for the Lower St. Croix Partnership Team.

The division also heard a bill providing an appropriation to study the cumulative impact of industrial emissions in North and Northeast Minneapolis. The bill, S.F. 1786, authored by Sen. Linda Higgins (DFL-Mpls.), was amended to provide for monitoring ambient air for hazardous air pollutants and then summarizing the results for a report to the Legislature by July 1, 2003. Higgins said the original bill had a prohibitively high fiscal note and that Melvin Hora from the Pollution Control Agency suggested monitoring stations rather than the original study. Hora said that the monitoring stations would provide for a broad scan of chemicals in order to determine what chemicals are released in the area.

Price said that all of the bills are to be laid over for consideration in the division's omnibus funding bill.

## Finance

### Students address budget

Sen. Douglas Johnson (DFL-Tower), chair of the Finance Committee, called members together briefly Weds., Apr. 4, to hear testimony from residents and students concerned about the level of education funding in the governor's budget.

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Sen. Steve Kelley (DFL-Hopkins) introduced residents from St. Louis Park. Risa Cohen said citizens from 140 communities around the state have supported an online petition to increase the base per-pupil funding for schools by \$400, an amount she said the superintendent indicated was the minimum required to balance the district's budget. Sen. Jane Krentz (DFL-May Township) said such a change would comprise the entire budget increase recommended by the Senate. Eunice Slager and Paul Bartholow said cuts year after year are now forcing schools to increase class sizes, cut programs and decrease remedial support for struggling students.

Sen. Dan Stevens (R-Mora) asked if there is enough accountability for school spending on classroom instruction, especially in proportion to administration, transportation and extra-curricular costs. Kelley said some schools are instituting program-based budgeting. Johnson asked if schools' dire assessments of the funding situation do not adequately account for the possibility that the Legislature will approve more funding than the governor has in his budget. Kelley said schools are forced to use the governor's figures in budgeting for next year.

The superintendent in the Yellow Medicine East School District said he is concerned about the long-term impact of cuts his district has had to make. He highlighted reductions in technology, elective course offerings, transportation, academic extra-curriculars, staff development, and arts-related instruction such as music and theater. He added that reductions jeopardize the future of young educators and place rural districts in danger of not being able to maintain functional facilities.

A total of twelve students from Hopkins High School and from Yellow Medicine East High School gave testimony on programs and opportunities offered by their schools and the effects spending cuts are having on the quality of education. Tom Keen, a senior at Yellow Medicine East, said advanced placement classes offered by his school have helped him earn a semester's worth of college credit, which has an impact not just on him but on his parents. Jacob Johnson, also from Yellow Medicine East, said he has benefitted greatly from Spanish language enrichment, much of which already requires significant out-of-pocket expense

on the part of his teacher. Tom Pryor, a participant in an extra-curricular program for debate and public speaking at Hopkins, invoked George Washington in saying that the values of liberty and equal opportunity can only be served through the adequate education of our youth.

## Health and Family Security

### Emergency contraception debated

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Thurs., Mar. 29. Sen. Deanna Wiener (DFL-Eagan) presented a measure to require that hospitals provide information about emergency contraception to victims of sexual assault. S.F. 1461 establishes that the standard of care for all hospitals that provide emergency care to sexual assault victims requires that victims are informed of contraceptive options. Further, the bill specifies that the hospitals must provide emergency contraception immediately to each victim who requests it. Wiener said a pill known as the "morning-after-pill," a hormonal drug, is used to prevent pregnancy after sexual intercourse and before implantation, when women have been sexually assaulted. The pill was approved by the Federal Drug Administration in 1998, she said.

Dr. Lynn Hagedorn, OB/GYN, provided testimony concerning a pilot study of practices relating to providing information, prescriptions and pregnancy prophylaxis in emergency rooms. The study involved interviews with emergency room personnel in 58 large urban hospitals, including 28 Catholic hospitals from across the U.S. According to Hagedorn, the study showed that some Catholic hospitals have policies that prohibit the discussion of emergency contraceptives with rape victims. Hagedorn said she endorsed state legislation requiring hospitals to meet the standard of care for treatment of rape victims.

Sen. Michelle Fischbach (R-Paynesville) asked if Catholic hospitals would be forced to administer medical care that went against their beliefs. Wiener said a provision in the bill mandates that hospitals must ensure that each person providing emergency care to sexual assault victims in the hospital provide medically and factually accurate and unbiased information about emergency contraception. Hospitals must also provide emergency room contraception when requested, she said.

Sen. Pat Pariseau (R-Farmington) asked Hagedorn to differentiate between the morning-after pill and RU-486, also known as the abortion pill. Hagedorn said RU-486 works after the implantation of the egg in the uterus, while the morning-after pill works at an earlier stage and prevents the egg from being fertilized.

The panel deleted portions of the bill that provided penalties for hospital non-compliance. Prior to adopting the amendment, the bill imposed a \$5,000 fine against a hospital for each case in which a woman is denied accurate and unbiased information about emergency contraception or who is not provided contraception upon request.

The bill was approved and advanced to the floor.

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 2023, a bill that establishes a Minnesota Telemedicine Network using high quality videoconferencing and telecommunications technology. Kelley said the bill creates the development of an infrastructure that connects rural hospitals throughout the state.

Patients and medical personnel can receive advice and care via telemedicine from specialists located at major medical centers, he said. The network also allows hospitals to share scarce medical resources and expertise to provide better care. Kelley said the system will save patients travel time and expenses.

Under the bill, a grant program is created through the Department of Health. An appropriation of \$1 million is specified and hospital eligibility requirements are defined in the bill. The panel approved the bill and re-referred it to the Finance Committee.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 1956, a measure that expands the housing-with-services establishment definition and modifies existing maximum room and board supplementary rates for group residential housing. Berglin said the bill caps room and board rates at \$426 per month. The bill was approved and re-referred to the Finance Committee.

Sen. Sheila Kiscaden (R-Rochester) authored S.F. 1147, a measure to create a stop-loss fund for claims paid by a health plan company on behalf of qualifying enrollees. Kiscaden said that 15 percent of rural residents are without insurance and that the bill helps smaller communities help the uninsured. She said the proposal

is targeted at businesses and farm families with 1-10 employees who have not had employer-sponsored health coverage for at least one year. The measure proposes the creation of a purchasing alliance stop-loss fund account in the general fund. Participating health plan companies may receive 90 percent of the portion of the claim that exceeds \$30,000, but not of the portion that exceeds \$100,000 of reimbursement for claims paid on behalf of qualifying enrollees. An amendment was adopted to appropriate \$200,000 for grants to organizations developing health care purchasing alliances. Members approved the bill and re-referred it to the Finance Committee.

Kiscaden also presented S.F. 1450, a measure that modifies family foster care rates and allows additional payments to meet a child's needs according to a uniform assessment tool.

An amendment was adopted to encourage better tracking and measurement of a child's safety and permanency and to track counties for consistency across the state.

Another amendment was adopted to appropriate money to counties for providing prevention and early intervention policies for children.

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

## Mental health issues targeted

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), heard a variety of bills Mon., Apr. 2. Three of the bills relate to care for people with mental illnesses. Sen. Don Betzold (DFL-Fridley) presented S.F. 179, a bill changing provisions regarding civil commitment. The bill expands the definition of mentally ill to include a person who is unable to obtain food, clothing or shelter independently, or who causes substantial intentional damage to property, as a result of mental impairment. The bill also removes the requirement that the danger of causing injury to self or



Armed with pill bottles and costumes, Pat Webber of Edina (left) and Lorraine Schreyer of Bloomington, fire up a crowd of mostly seniors during a rally in the Capitol rotunda Weds., Apr. 4, to encourage passage of a prescription drug bill.

Photo by David J. Oakes

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others be “imminent” in the clause defining when a person may be detained for emergency treatment. In addition, the bill provides that early intervention hospitalization may last up to 21, rather than 10, days.

Members adopted two amendments, clarifying that property damage must be related to the standard of harm to self and others, and removing confusing language about the standard of proof. The bill was approved and advanced to the Finance Committee.

S.F. 1722, carried by Sen. Linda Higgins (DFL-Mpls.), increases the reimbursement rate for mental health services provided by the Courage Center, which helps people adjust to life with a disability. Susan Galegher, a brain injury survivor who was helped by the Courage Center, said, “A catastrophic personal challenge requires comprehensive, coordinated treatment that includes the mental health service component.” The bill was sent to the Finance Committee with a recommendation to pass.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 1411, the Dept. of Human Services (DHS) mental health bill. The bill provides transition assistance to young adults to help them live independently in the community. The measure also provides for Medical Assistance coverage for certain adult rehabilitative mental health services and crisis response services. In addition, the bill establishes eligibility requirements for program recipients and qualification requirements for providers.

Members proposed several amendments. Sen. Sheila Kiscaden (R-Rochester) offered amendments requiring the DHS to study the children’s mental health system and providing that any increase in revenue to counties as a result of recent changes in the reimbursement system must be used to provide expanded mental health services. Berglin offered amendments making technical changes, allowing providers who are not enrolled in the system to appeal the decision, and giving the DHS time to study how mental health services should be included in prepaid plans. All of the amendments were adopted. The bill, as amended, was advanced to the Finance Committee.

A second bill authored by Berglin ensures access to nursing care. S.F. 1279 provides for reimbursement of the travel costs of home care providers. Jenny Christianson of Northern Itasca Home

Care said her service covers a large rural area with a small labor pool. Despite paying employees for travel costs with no reimbursement from the state, the service remains understaffed, she said. Berglin offered an amendment increasing the types of visits eligible for reimbursement to include visits to board and lodging facilities and supervised living facilities. The amendment was adopted and the bill was sent to the Finance Committee.

S.F. 210, carried by Sen. Leo Foley (DFL-Coon Rapids), addresses the closure of certain nursing facilities. Current legislation, Foley said, provides an incentive for nursing facility chains to close facilities and apply the savings to other facilities. The bill prohibits a projection of savings for facilities located in a county with a low ratio of nursing facility beds to residents over age 85. The bill was approved and advanced to the floor.

Sen. Dan Stevens (R-Mora) carried S.F. 794, a bill streamlining the nursing facility case mix assessment. The assessment is used to determine the level of care needed by residents in a facility and the rate the facility is allowed to charge, said Robert Held of the DHS. Held said the bill creates 34, rather than 11, case mix groups and allows the facility to conduct all assessments itself. The bill was sent to the Finance Committee with a recommendation to pass.

Finally, members heard testimony on S.F. 1310, authored by Berglin. The bill modifies provisions in public health care programs. Several witnesses testified that aspects of public programs provide financial disincentives to go back to work or pursue child support from an absent spouse. Sen. Becky Lourey (DFL-Kerrick) offered amendments raising the eligibility standard for Medical Assistance to the federal poverty level and taking child support out of the income counted for a child. The amendments were adopted. Members also adopted an amendment, offered by Berglin, limiting the premiums paid to be eligible for Medical Assistance for people near the federal poverty level. The bill was laid over to be taken up at a future hearing.

## Public health bill heard

In addition to considering the informed consent bill, members of the Health and Family Security Committee heard several additional bills at the Weds.,

Apr. 4, meeting. The committee is chaired by Sen. Dallas Sams (DFL-Staples).

Sen. Linda Berglin (DFL-Mpls.) presented S.F. 1310, a comprehensive Department of Human Services (DHS) bill that modifies a number of provisions in public health care programs. Under the bill, Medical Assistance (MA) eligibility income standards for children from families with incomes no greater than 185 percent of the federal poverty guidelines (FPG) are increased and automatic MA eligibility for Minnesota Family Investment Program (MFIP) participants is eliminated. A provision eliminates premiums in MinnesotaCare for children through age 18 whose family income is equal to or less than 185 percent of FPG. Berglin said that several provisions in the bill deal with expanding eligibility for programs and removing insurance and premium barriers for children. An amendment was adopted to provide early periodic screening, diagnosis and treatment services for American Indian children living on reservations. Another provision in the amendment allows the state to draw on a federal match of funds for American Indian enrollment in MinnesotaCare, Berglin said. Another amendment expands MinnesotaCare coverage to include eligible individuals without children. The bill was approved and re-referred to the Finance Committee.

Sen. Jim Vickerman (DFL-Tracy) presented S.F. 2097, a bill that authorizes the Emergency Medical Services Regulatory Board to grant a temporary variance to a rural ambulance service staffing requirements. The variance allows a rural ambulance service that establishes evidence of hardship to be staffed by one emergency medical technician and one first responder. Members approved the bill and advanced it to the floor.

Sen. Sheila Kiscaden (R-Rochester) authored S.F. 1399, a measure to implement DHS budget proposals for continuing care for persons with disabilities. Following an overview of several provisions, the bill was laid over for further consideration.

## Health, Human Services and Corrections Budget Division

### Budget bills reviewed

Sen. Arlene Lesewski (R-Marshall) presented the first of five bills heard at the Thurs., Mar. 29, meeting of the Health,



Human Services and Corrections Budget Division. Sen. Linda Berglin (DFL-Mpls.) is chair of the division. Lesewski said S.F. 461 transfers the responsibility for assessing and investigating cases of alleged child maltreatment in juvenile correctional facilities licensed by the Dept. of Corrections (DOC) from counties to the Dept. of Human Services (DHS). Lesewski said she wants to use language from the House version of the bill, H.F. 414, which includes a provision specifying procedures related to access and information sharing between agencies. The proposal requests funding for 2.5 new investigative and administrative staff. The total fiscal note in the bill is \$136,000 for FY 2002 and \$109,000 for each year through FY 2005. Members amended the House file into S.F. 461. The bill was laid over.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 1425, a bill appropriating \$300,000 to provide base level funding for the Program for Assistance to Homeless (PATH). Under the bill, the appropriation allows expenditures for hiring psychiatrists to provide mental health care to those living in homeless shelters or on the streets and for other mental health workers providing outreach for the unsheltered homeless. Minnesota Coalition for the Homeless representative Liz Kuoppala said the money is needed to expand existing programs. The bill was laid over.

Higgins also carried S.F. 1018. The measure increases the amount of Medical Assistance (MA) reimbursement for mileage and other expenses for persons traveling to receive medical care. Under the bill, the amount of reimbursement is raised from 20 cents per mile to 35 cents per mile. Higgins said that MA access services are administered by the counties and paid as MA administrative costs, with 50 percent paid by federal funds and 50 percent by state funds. State costs in the fiscal note total \$795,000 for FY 2002 and \$835,000 for FY 2003. No action was taken on the bill.

Higgins carried a third bill. S.F. 1185 expands the number of living-at-home block nurse programs and increases program funding. Higgins said the programs are intended to enable senior citizens to live as independently as possible in their homes and communities. The bill specifies that at least one-half of the programs must be in counties outside the seven-county Metropolitan Area. Local non-profit organizations and units of

local government are eligible to apply for the grants, according to Higgins. The bill appropriates a total of \$1.45 million for the biennium to fund the proposal.

Sen. Dallas Sams (DFL-Staples) carried S.F. 1690, a measure modifying fees for wells and borings, radioactive material, health care facilities and environmental laboratories. An amendment was adopted to include the Metropolitan Airports Commission as an entity that may adopt local regulations providing for plumbing permits, bonds, approval of plans and inspections of plumbing. A representative of the Metropolitan Airports Commission told the panel that in adopting the building code the commission encountered problems with the plumbing code portion, which the proposal addresses.

A Dept. of Health official said that the licensing fee increases outlined in the bill are substantial. In terms of environmental labs, he said, the fee increase helps to maintain services that include training and inspections.

Patty Cullen, speaking for Care Providers of Minnesota, said the large fee increases are burdensome for nursing homes, in particular. She said she opposed the increases unless they are funded in the budget or passed through to bed rate increases.

Lori Meyer of the Minnesota Health and Housing Alliance told the panel that the radioactive materials fee increases come as a lump sum payment in excess of \$30,000, causing cash flow problems for hospitals and nursing facilities, among others.

An amendment offered by Sen. Dan Stevens (R-Mora) was adopted to increase rates to offset licensure fees. No formal action was taken on any of the bills.

### Three bills considered

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Tues., Apr. 3, to consider several measures for possible inclusion in the division's omnibus bill.

Sen. Dean Johnson carried S.F. 1682, a bill that increases funding for senior nutrition meals. The bill appropriates \$1 million for each year of the biennium to fund congregate dining services and home-delivered meals to eligible senior citizens. Johnson offered an amendment to reduce the appropriation to \$980,000. The

amendment specifies that the appropriation be awarded equally in the amount of \$70,000 to the 14 area agencies on aging in Minnesota as a base appropriation for congregate and home-delivered meal services. Augustana Homes Director Lynn Peterson said that 71 percent of the seniors living in her region are living below poverty level. She said that increased funding is needed to catch up with the dramatic increase in demand for services.

Berglin presented S.F. 929, a measure that changes Medical Assistance (MA) asset limitations for employed individuals with disabilities. The bill allows individuals to keep assets for 12 months without having to spend down the assets to remain eligible. Berglin said the bill targets individuals with disabilities who lose a job or are unable to work and are no longer eligible for the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program. A provision allows an individual to save assets up to \$20,000. Berglin said the bill makes it possible for individuals with disabilities to save money for a car or other items while they continue to look for work. The fiscal note indicated that the total MA cost to the state is approximately \$430,000 for FY 2002.

Berglin also authored a related bill, S.F. 1080. Under the measure, an individual's MA eligibility is extended for up to four months if the person is eligible as an employed person with disabilities and is temporarily unable to work. To qualify, the person must be without earned income due to a medical condition as verified by a physician. Berglin said that under current requirements, eligibility is limited to two months.

## Jobs, Housing and Community Development

### DTED plans okayed

In a marathon meeting Fri., Mar. 31, members of the Jobs, Housing and Community Development Committee considered 20 bills, addressing topics that ranged from the reorganization of the Department of Trade and Economic Development to genetic testing to airport noise.

The committee began by comparing the strengths of two bills that reorganize departments involved with workforce development. The members continued discussion on S.F. 1760, authored by Sen. David Johnson (DFL-Bloomington). The

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bill restructures the jobs skill partnership and makes pervasive reforms to departments and programs that encourage workforce development. Under the bill, Department of Industry and Labor and the Department of Economic Security are eliminated and the Department of Trade and Economic Development is renamed the Department of Economic and Workforce Development.

Johnson called S.F. 1760 a work in progress and offered several amendments to the bill. The committee added a provision that requires greater strategic planning in the placement and creation of workforce centers. The bill was also changed to incorporate the input of advocacy groups and nonprofit service providers in workforce development policy.

The committee laid over an amendment that dedicates a separate division of the Department of Economic and Workforce Development to services for the blind. An amendment, offered by Sen. Linda Higgins (DFL-Mpls.), that creates a group of representatives from agencies that provide services to people with disabilities to participate in the departmental reorganization was also laid over.

The committee considered a second approach to the workforce development reorganization. Sen. Ellen Anderson (DFL-St. Paul), committee chair, sponsored S.F. 1745, which shares several provisions with S.F. 1760. The main differences between the two bills, said Anderson, are that S.F. 1745 does not eliminate the Department of Labor and Industry nor does it change unemployment insurance policies. The committee approved S.F. 1745 and S.F. 1760 and sent the measures to the State and Local Government Operations Committee.

Sen. David Tomassoni (DFL-Chisholm) presented two bills. The first, S.F. 713, allows the City of Aurora to implement tax increment financing. Alan Hodnik, chair of the Aurora HRA, said the bill is needed to attract businesses to the city, which had suffered economic losses due to the closing of the LTV mine. The bill was recommended to pass and re-referred to the Tax Committee.

Tomassoni also sponsored S.F. 252, which extends unemployment insurance benefits to seasonal firefighters. He said the bill is needed to encourage people to become and remain firefighters. Dana Linscott, representing the Minnesota

Wildland Firefighters Association, said the bill will save the state money because fewer firefighters will leave the service and the state will spend less training new firefighters. The bill was approved and sent to the floor.

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 1835, which increases from 5 to 15 days, the deadline by which an employer must submit in writing the reason for firing a worker at the employees request. "Often by the time the employee learns the right for the information exists, the time limit has already pass," said Kelley. The bill was recommended to pass and sent to the floor.

Kelley also presented a bill, S.F. 827, that funds HIV awareness education in workplaces. The majority of the programming, Kelley said, would target smaller businesses, that do not have enough staff to run informative campaigns. Bob Tracy, from the Minnesota AIDS Project said 40 percent of cases the project handles involve workplace discrimination against people with HIV and AIDS. Of the 4,200 people living with AIDS in Minnesota, the large majority, he said, rely on the insurance provided by their employees. "AIDS," he said, "is as workplace issue." The committee recommended S.F. 827 to pass and re-referred the bill to the Finance Committee.

The committee also okayed S.F. 635, which funds a transitional housing project, and advanced the measure to the Committee on Finance. The bill appropriates money to Perspective, Inc., a nonprofit organization that runs a transitional housing complex in St. Louis Park. Bobbi Masquelier, director of supportive housing for Perspective, Inc., said 52 families live in the housing. The funding, said Kelley, is not for capital expenditures, but for services, such as counseling and self-sufficiency training, provided to the residents.

Anderson carried S.F. 1211, which specifies what information must be disclosed when a landlord opts out of a federal subsidized rent program. The bill does not change the requirement that landlords provide notification 12 months in advance of any changes, but does provide clarification of notification information and procedure. The bill states that a property owner must provide to tenants, as well as to the Minnesota Housing Finance Agency, the reason for discontinuing the participation, the

availability, if any, of rental assistance after the changes and the amount of rent increases. S.F. 1211 was recommended to pass and sent to the floor.

Anderson also sponsored a bill that prohibits genetic testing by employers. The bill, S.F. 1721, prohibits employers from requesting, requiring or administering a genetic test as a condition of employment. The bill also prohibits the terms of employment to be affected by the findings of genetic testing. Furthermore, the bill states that no person shall sell or interpret genetic testing on prospective employees to employers. "Like the color of your skin and like your gender, genetics are something you are born with," said Charles Collins, an attorney. "It is a civil rights issue." The committee gave the bill a recommendation to pass and moved the measure to the Judiciary Committee.

Sen. Twyla Ring (DFL-North Branch) carried S.F. 1392. The bill creates the Northern Technology Initiative. The initiative, said Ring, forms a collaboration among counties, economic development groups, state agencies and educational institutions to encourage the economic growth of Chisago, Isanti, Kanabec and Pine Counties. Anderson said she was uncertain what the role of the Legislature was in the initiative and said less extensive provisions could enable the development of the initiative. The bill was re-referred to the State and Local Government Operations Committee without recommendation.

Sen. Ann Rest (DFL-New Hope) presented two bills that fund the Southeast Asian Collaborative's efforts in Hennepin County to provide intensive training to immigrants entering the workforce. The money must be used for workplace training for English language skills and for assistance overcoming cultural barriers. The difference between the two bills, said Rest, is that one, S.F. 1667 does not require TANF funding and the other, S.F. 1668, does. Rest said similar programs have used TANF funds in the past. S.F. 1668 was recommended to pass and sent to the Finance Committee.

Johnson carried a bill relating to the expansion of the Minneapolis St. Paul International Airport. The bill, S.F. 888, which covers several aspects of the airport development, requires cities impacted by the expansion to consider mitigating the effects of airport noise on residences through noise insulation. S.F. 888 was

recommended to pass and re-referred to the Tax Committee.

A bill, S.F. 1535, sponsored by Sen. Sheila Kiscaden (R-Rochester), waives out-of-state tuition fees for students from other states who pursue educational programs in areas in which Minnesota has a critical worker shortage. "We have a critical shortage," said Kiscaden. "We want to enable higher education institutions to recruit and give degrees where we have shortage." The bill was approved and sent to the Finance Committee.

A bill, authored by Sen. Becky Lourey (DFL-Kerrick), creates a pilot project to provide long-term employment options for persons with brain injuries. Lourey said that because brain injuries cause a variety of symptoms it is often difficult to prescribe a cookie cutter approach to employment. The pilot project, she said, creates specialized programs for people with brain injuries and gives them an opportunity to be productive. The bill, S.F. 1898, was recommended to pass and re-referred to the Finance Committee.

Sen. Myron Orfield (DFL-Mpls.) presented a bill, S.F. 1084, that provides business subsidies for small businesses. He said the bill puts small businesses on an equal footing with larger businesses by creating an administrative process to review the disbursement of subsidies. The bill was laid over.

Sen. Deanna Wiener (DFL-Eagan) authored a bill, S.F. 1173, that increases the base funding for welfare-to-work programs for workers with disabilities. The bill was approved and re-referred to the Committee on Finance.

Sen. Charles Wiger (DFL-North St. Paul) offered S.F. 1611, which makes several technical changes to law concerning vocational rehabilitation. The bill was recommended to pass and referred to the floor.

### **Interpretator training considered**

The Jobs, Housing and Community Development Committee met Weds., Apr. 4 and approved a program that trains people how to interpret for non-English speakers in medical settings.

"We have a dire need for interpreters who are trained properly, especially in the medical area," said Sen. Linda Berglin (DFL-Mpls.). For example, she said, a doctor gave a patient, who was an immigrant and did not speak English, a written prescription for some medicine and told

him to take it six times a day. The patient, she said, did not understand, ripped the prescription into six pieces and ate it.

Berglin sponsored a bill, S.F. 1834, that creates a pilot program for the training of interpreters for work in medical settings. The demonstration project, as outlined in the bill, runs for two years and requires a partnership between the Minneapolis Community and Technical Colleges and the University of Minnesota as well as a private health care institute. Berglin said the bill expands a program currently offered by Abbott Northwestern and the schools for the hospital's employees. Under the bill, participants are not required to work at the hospital and may complete the program in two years. The bill gives the Jobs Skills Partnership \$50,000 to fund the project. The committee okayed the bill and moved the measure to the floor.

A bill, authored by Sen. David Johnson (DFL-Bloomington), also affects the Jobs Skills Partnership program. The bill, S.F. 1899, requires the Pathways program, housed under the Jobs Skills Partnership, to assist individuals at or below 200 percent of the federal poverty level. Johnson said the bill does not change what the program does, but makes the policy more consistent with other projects that receive TANF funding. The bill was sent to the floor.

Sen. John Hottinger (DFL-Mankato) carried a bill, S.F. 612, that gives money to Blue Earth, Martin, and St. Louis Counties for economic development projects sponsored by the rural advanced business facilitation program. The funding, said Hottinger, allows counties to replicate the Riverbend Center for enterprise facilitation program that launches local businesses through consulting and other business assistance. Al Bennet, Blue Earth County commissioner, said the program has served 393 people and created 61 jobs at the cost of \$903 per position. Hottinger said, "The program is grass roots economic development." The committee approved the bill and forwarded the measure to the Finance Committee.

Sen. Dennis Frederickson (R-New Ulm) sponsored a bill that makes several changes to unemployment insurance. Under the bill, S.F. 1277, people who need to quit work because they are victims of domestic abuse or have children who are victims of domestic abuse may collect unemployment insurance. The committee amended the bill to extend unemployment

benefits to laid-off workers who have pending workers' compensation claims. The bill also gives unemployment benefits retroactively when workers wait a week before applying. Jack Weidenback from the Department of Economic Security (DES) said, "Somewhere people got the idea that they need to wait a week before applying and so they have been missing out on benefits." The bill makes several technical changes proposed by DES. The committee recommended the bill to pass and advanced the measure to the floor.

Sen. James Metzen (DFL-South St. Paul) carried S.F. 1472, which modifies the capital access program (CAP). The program, said Paul Moe from the Department of Trade and Economic Development, provides a limited guarantee on loans that are fundamentally sound, but need some enhancement to encourage the bank to underwrite the loan. Since CAP began in 1991, he said, \$711,163 of state funds has leveraged \$9 million of bank loans to community businesses. The bill retunes CAP, he said, by allowing the funds to be used to encourage community development seed capital investment. The bill was recommended to pass and referred to the floor.

The committee also approved a measure that requires crane operators to be certified. "To most people it comes as a surprise that there is no necessary certification for crane operators," said Christine Bowlander, a representative from the Union of Operating Engineers. She said last year 72 people were killed in the U.S. by crane accidents and the majority of casualties were not the crane operators, but persons struck by the crane or objects being carried.

A bill, S.F. 1968, authored by Sen. Don Samuelson (DFL-Brainerd), requires crane operators to be licensed through a program approved of by the Department of Labor and Industry (DOLI). Roslyn Wade, assistant DOLI commissioner, said the bill was written without consultation with the department. She said the bill does not detail what crane operation training is needed and does not specify penalties for operating a crane without a license.

The bill was recommended to pass and sent to the floor.

The committee also okayed S.F. 1277, which adds the U.S. Department of Justice, Immigration and Naturalization Service employment eligibility verification form, also called the I-9 form, to the list of

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documents that can be used by employers to prove the age of an employee. Sen. Mady Reiter (R-Shoreview), author of the bill, said the measure will save employers paperwork. The committee recommended that the bill be placed on the Consent Calendar.

## Judiciary

### Mental health pilot okayed

A pilot program for District 2 Courts was approved by the the Judiciary Committee at a meeting Thurs., Mar. 29. Chair Sen. John Marty (DFL-Roseville) presided as bills were also presented relating to aspects of child support, data privacy and criminal enforcement of child pornography and cheating at card clubs.

S.F. 844, authored by Sen. Randy Kelly (DFL-St. Paul), is a bill that establishes a pilot project in Second District Courts for mental health patients who are also criminal offenders. Kelly said the program streamlines resources and promotes public safety by encouraging patients' compliance with treatment.

The bill specifies that, as part of the program, medication treatment requirements may be a condition of probation or supervised release. Sen. Thomas Neuville (R-Northfield) said he is concerned that the bill encourages a process whereby mentally ill people will be sent to jail for not taking medications. Sen. Leo Foley (DFL-Coon Rapids) said the bill might also affect aspects of the existing civil commitment process. The bill was amended to remove the language on enforced compliance but leaves in place the authority for the pilot project in general.

Data privacy aspects of Kelly's bill, already reviewed by the Judiciary Subcommittee on Data Practices and Information Policy, concern the sharing of medical and psychological data. The bill was approved as amended and re-referred to the Committee on Finance.

Sen. Linda Berglin (DFL-Mpls.) presented an omnibus child support bill, S.F. 1364. She highlighted a few features of the bill, which consolidate the recommendations of a work group convened by the Department of Human Services Child Support Division. Berglin said the bill uses an income shares model and takes into account federal data on the costs of raising children. The reforms in the bill also consider subsequent children of both

parents and establish a minimum level of income necessary for support to be ordered. She said the net affect of the bill is to reduce support orders slightly for lower income people and to raise support orders slightly for people of higher income.

Sen. Richard Cohen (DFL-St. Paul) and Sen. Jane Ranum (DFL-Mpls.) both said the bill is far reaching and complex and needs a number of hearings for thorough consideration. The bill was referred to the Judiciary Family Law Subcommittee.

Sen. Arlene Lesewski (R-Marshall) presented another bill relating to child support. S.F. 2022 specifies that mailed child support payments are credited to the month the payments are postmarked. Christa Anders of the Department of Human Services said the bill creates a conflict with federal law. Lesewski said the problem needs to be addressed because, under current law, obligors paying faithfully sometimes can not control when payments arrive and the obligors end up being considered in arrears. Anders said crediting of payments is intensely complex and issues of people unjustly being considered in arrears could be addressed in other ways. The bill was laid over.

Two bills relate to new authority for certain criminal investigations and prosecution. Sen. Satveer Chaudhary (DFL-Fridley) authored S.F. 969, a bill that makes it easier to prosecute companies or people who use the Internet for child pornography. The bill grants new authority for subpoenas and search warrants for electronic communications crimes. S.F. 1008, authored by Sen. Don Betzold (DFL-Fridley), grants a licensed card club the authority to detain patrons suspected of cheating. The bill was amended to clarify that liability extended to a detaining officer does not apply if the action is taken with unreasonable force or in bad faith. Both bills were approved and forwarded to the full Senate.

Finally, the committee considered data privacy provisions of three bills, all of which were approved and sent to the floor. Two of the bills are authored by Sen. Linda Higgins (DFL-Mpls.). S.F. 1345 contains clarifications and technical changes related to access to vital statistics and S.F. 1430 amends requirements for sharing of data on alcohol and drug counselors. The third is Sen. Steve Kelley's (DFL-Hopkins) Telecommunications Consumer Privacy Act, S.F. 565. Kelley

said the bill's interactive data privacy provisions are consistent with similar laws for other areas of communications and media. The bill was amended to clarify that individuals must be given access to information about themselves upon request.

### Data practices bill approved

Sen. John Marty (DFL-Roseville), chair of the Judiciary Committee, convened the group on Fri., Mar. 30, to hear a slate of bills that needed to be heard by the first committee deadline.

The session's omnibus data practices bill, S.F. 1068, was approved by the committee. Authored by Sen. Don Betzold (DFL-Fridley), the bill incorporates a number of data privacy provisions from other bills that were approved by the Subcommittee on Data Practices and Information Policy. Data provisions included relate to housing authority applications, military discharge certificates, and state-sponsored higher education savings plans. The bill also extends and clarifies access to data for a Task Force on Juvenile Crime and a study of ambulance service.

Washington and Ramsey Counties are also given, under the bill, an extension of their authority to administer a program that allows residents to be excluded from property lists sold for marketing purposes. A general provision of the omnibus bill includes an extension of the requirements of the Data Privacy Act to all Metro Area towns. The bill also provides for immunity to the Department of Administration in cases where the department provides formal opinions on matters of data privacy.

Four other individual data privacy bills were approved by the committee and amended into Betzold's bill. S.F. 1671, authored by Sen. Dick Day (R-Owatonna) gives military recruiters access to relevant educational data and S.F. 1664, sponsored by Sen. David Tomassoni (DFL-Chisholm), specifies that certain types of personal data remain nonpublic after an investigation by the Occupational Safety and Health Administration. A bill by Sen. Sheila Kiscaden (R-Rochester), S.F. 1396, allows inmates' HIV test results to be maintained in their prison medical records. The fourth bill, S.F. 1373, was amended before incorporation. Authored by Betzold, the bill allows juvenile adjudications to be included in background checks. Kiscaden successfully offered an

amendment to narrow the scope of the checks to include serious crimes only.

Betzold said that one minor issue remains to be resolved with the omnibus bill. A representative of Anoka County said that microfilm storage of data in certain counties makes it difficult to comply with the bill's provision on military certificates. Nonetheless, the bill was approved as amended and sent to the floor, where Betzold said it might be amended further to address the issue.

Kiscaden gained approval for three bills that had been referred from the Health and Family Security Committee and the Judiciary Subcommittee on Data Practices and Information Policy. S.F. 1398 authorizes a study by the commissioner of health on women who die during or within 12 months of a pregnancy. The bill makes data compiled for the study confidential.

Another Kiscaden bill, S.F. 1397, addresses licensing data under the purview of the Department of Human Services. The bill includes involuntary termination of parental rights in the list of potentially disqualifying criteria for licensing and allows alcohol related convictions to be considered for up to ten years.

S.F. 1394 reorganizes and amends state law to bring it into line with federal regulations concerning placement of children who are developmentally disabled, severely emotionally disturbed or in out-of-home placement.

The bill was amended to incorporate data privacy provisions from the omnibus education policy bill so that they would not be jeopardized by the committee deadline. Applicable portions of the education bill relate to investigations of maltreatment of minors while in a school setting.

All three of Kiscaden's bills were approved and sent to the floor.

The committee renewed discussion of S.F. 2022, a child support bill authored by Sen. Arlene Lesewski (R-Marshall). Based on issues raised, Lesewski presented an amendment specifying that revenue recapture is not triggered by an obligor's arrearage unless the missed payment exceeds one month's amount of support. The amendment also addresses automated payments that are beyond the control of the obligor. The bill was approved with the amendment and sent to the floor.

Two other bills rounded out the meeting. S.F. 1999, authored by Sen. Jim

Vickerman (DFL-Tracy), makes technical changes and deletes references that are obsolete due to the switch to state funding of District Courts. S.F. 1460, authored by Marty, clarifies three statutes related to the profession of social work. Both bills were approved and sent to the floor. The Marty bill was recommended for placement on the Consent Calendar.

### **Game limit bill modified**

The Judiciary Committee met Tues., Apr. 3, to continue hearing bills on a variety of topics. Sen. John Marty (DFL-Roseville), chair of the committee, presided.

A bill amending enforcement of fish and game limits was presented by Sen. Jane Krentz (DFL-May Township). The bill outlines license suspension and vehicle seizure provisions for gross overlimit violations and allows joint and several liability for parties engaged together in acts that violate the limits. The three degrees of the violation are established in proportion to the extent to which the offender has exceeded a fish or game limit, as calculated by the bill's restitution values for wild animals.

The bill requires license revocation if the offender is convicted and provides for administrative and judicial review of the license suspension pending the criminal proceedings. Sen. Thomas Neuville (R-Northfield) said that the probable cause standard defined for the interim hearings makes it too easy for the court to carry on the suspension, which is not fair given that criminal charges may not even have been filed at that point.

He said prosecutors could drag their feet on weak cases and leave the unjustly accused licensees without recourse to get reinstated. Neuville offered an amendment broadening the standard of the judicial hearing so that licensees can present evidence, too, if they believe the case against them will not hold up.

Krentz welcomed the amendment but emphasized that the bill addresses only the most flagrant and egregious overlimit violations. The amendment was adopted. The bill was approved and sent to the floor.

Another bill that prompted questions from the committee was S.F. 196, authored by Sen. Jim Vickerman (DFL-Tracy). The bill gives liability immunity to municipalities in cases involving the use of road and highway right-of-ways for recreational

vehicles. John Dooley from the Minnesota Association of Townships said a bill passed last session giving the state immunity along trunk highways. He said the intent at that time was to extend the immunity to local governments as well. Sen. Jane Ranum (DFL-Mpls.) said supporters of the prior legislation never intended the immunity to be extended any further.

Representatives of the Minnesota Trial Lawyers Association also spoke in opposition to the bill. The bill was defeated.

Sen. Richard Cohen (DFL-St. Paul) presented a bill with civil rights law revisions recommended by the Department of Human Rights. The bill, S.F. 1215, amends the state's definition of sexual harassment to reflect recent federal court findings and adds "national origin" to the statute on unlawful business discrimination. The bill also makes procedural changes in the process whereby the department pursues charges or renders a determination of probable cause. The bill was approved and sent to the floor.

Transfers of motor vehicle dealerships are addressed in a bill by Sen. Don Betzold (DFL-Fridley). S.F. 823 amends provisions to protect qualified transferees from being unfairly denied by the manufacturer. Betzold said both manufacturers and dealers were represented in crafting the provisions included in the measure. The committee approved the bill and advanced it for consideration by the full Senate.

Three bills of a technical or otherwise noncontroversial nature were okayed by the committee. Sen. Sheila Kiscaden's (R-Rochester) S.F. 1332 revises the use of certain words in child support and custody law. The bill replaces references to "custodial" and "non-custodial" parents with terms that are considered more neutral and changes the word "visitation" to "parenting time."

The child abuse definition is amended, under S.F. 1265 carried by Sen. Tony Kinkel (DFK-Park Rapids), to clarify that violations from other states apply in Minnesota.

S.F. 1831, authored by Ranum, corrects oversights in the adaptation of the Uniform Partnership Act to state law. The bills were sent to the floor. The Kiscaden and Ranum bills were recommended for placement on the Consent Calendar.

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## Rules and Administration

### Senate budget okayed

Members of the Rules and Administration Committee, chaired by Sen. Roger Moe (DFL-Erskine), met Mon., Apr. 2, to review the proposed budget for the internal operations of the Senate and a proposed budget for technology. Both proposals were approved earlier in the day by the Rules and Administration Subcommittee on the Senate Budget.

The Senate budget was presented by Secretary of the Senate Patrick Flahaven. He said that the increases in the budget, as in other areas of state government, were driven primarily by the increases in the cost of health insurance for Senate employees and members.

According to Flahaven, the entire budget for the Senate, the House of Representatives and the joint legislative operations, amounts to about one-half of

one percent of the state budget—a figure that has remained relatively constant over the past 30 years.

The technology budget was presented by Sen. Leonard Price (DFL-Woodbury), chair of the Rules and Administration Subcommittee on Senate Information Systems. Price said that the proposed expenditures are primarily to upgrade existing systems, some of which have been in use since the late 1980s. The total technology budget is \$3.53 million, Price said.

The committee okayed both budget proposals and advanced them to the Committee on Finance.

Members also began consideration of proposed Senate information systems user policy changes. The changes, developed by the Subcommittee on Senate Information Systems are designed to increase the security of the Senate's information systems.

Finally, members also advanced a bill establishing a technology enterprise fund and board. S.F. 1825, sponsored by Sen. Steve Kelley (DFL-Hopkins), was before the committee because the measure creates a new board with some legislative members. The bill was forwarded to the Committee on Finance.

## State and Local Government Operations

### Councils given extensions

The State and Local Government Operations Committee was convened Thurs. afternoon, Mar. 22, by Chair Jim Vickerman (DFL-Tracy). After revisiting the stadium proposal, S.F. 1857, and referring the measure to the Tax Committee, the committee heard a number of bills relating to groups established by the Legislature.



*University of Minnesota-Duluth women's hockey coach Shannon Miller acknowledges applause given by Senators during a Senate floor session on Mon., Apr. 2, as she holds the NCAA Women's Hockey Championship Trophy awarded to the school as victors in the first-ever NCAA Women's Hockey Tournament.*

Photo by David J. Oakes

Sen. Martha Robertson (R-Minnetonka) presented S.F. 1263, a bill that addresses the expiration of various advisory councils, task forces, review boards and the like. Robertson said the bill's intent is to consolidate requests for extensions and conform all the new end-dates to June 30, 2003. The bill specifies, in a few instances, that a group does not expire. For others, the group is allowed, under the bill, to continue indefinitely as long as it serves the specific purpose for which it was established, meets at least once every 18 months, and satisfies registration requirements. The bill also deletes references to groups that have been allowed to cease.

Several additional groups were extended as other bills were presented and incorporated into S.F. 1263. S.F. 444, authored by Sen. William Belanger Jr. (R-Bloomington), extends the life of the Mississippi River Parkway Commission. Sen. Jane Krentz (DFL-May Township) presented S.F. 1351, which adds the Solid Waste Management Advisory Council to the list. The Rehabilitation Advisory Council for the Blind is extended by Sen. Julie Sabo's (DFL-Mpls.) bill, S.F. 1032. S.F. 542, authored by Sen. Becky Lourey (DFL-Kerrick), extends the life of the Council on Disability. Several human services committees and boards are included in S.F. 1309, authored by Sen. Dan Stevens (R-Mora), while S.F. 1817, carried by Sen. Chuck Fowler (DFL-Fairmount), adds several agricultural groups.

A bill authored by Sen. Leonard Price (DFL-Woodbury) was also incorporated into S.F. 1263 but was not given an end-date. The bill, S.F. 868, specifies that the Natural Resources Trust Fund Advisory Committee does not expire. Sen. Don Betzold (DFL-Fridley) said that, based on constitutional issues involved, the lack of expiration is warranted.

Robertson's bill, with the others incorporated as amendments, was approved and sent to the floor. The committee considered several other bills that contain references to groups established by the Legislature and acted on them individually.

S.F. 830, a bill authored by Sen. Sheila Kiscaden (R-Rochester), modifies the regulation of health insurers and health maintenance organizations. The aspect of the bill that was pertinent to the committee is a set of provisions establishing a task

force to study health insurance as it relates to small businesses. The bill was amended to add task force members representing consumers and the National Federation of Independent Business. As amended, the bill was okayed and advanced to the full Senate.

Sen. Deanna Wiener (DFL-Eagan) gained approval for S.F. 1604, a bill that clarifies per diem payments for members of state boards and councils based on findings by the Office of the Legislative Auditor. The bill was sent to the floor.

Two bills were re-referred to the Committee on Education. Sen. Jane Ranum (DFL-Mpls.) authored S.F. 943, a bill that establishes a Board of Education Leadership with authority over the licensing of supervisory personnel. S.F. 1169, authored by Sen. Sandra Pappas (DFL-St. Paul), establishes a State Board of Charter Schools. The bill was opposed by representatives of the Department of Children, Families and Learning, who said the board creates an unnecessary layer of government.

Before being approved and re-referred, the bill was amended to remove all the provisions except the bill's statement of purpose. The goals stated in the bill's purpose include improved pupil learning, encouragement of innovative teaching methods, accountability, required measurement of outcomes, professional opportunities for teachers, and focused state oversight on the role of charter school sponsors.

A new Dental Access Advisory Committee was okayed under S.F. 1361, carried by Sen. Becky Lourey (DFL-Kerrick). In addition to establishing the advisory committee, the bill also contains provisions for grants to encourage dental practice in underserved areas. Once approved, the measure was re-referred to the Finance Committee.

Four bills were approved and advanced to the Consent Calendar. S.F. 1206, authored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), adds a representative from Bemidji to the Advisory Council on Urban Indians. Pappas gained approval for S.F. 1919, a bill that amends the makeup of the Citizen Review Panel in St. Paul. S.F. 1154, sponsored by Sen. Steve Kelley (DFL-Hopkins) extends the life of the Metropolitan Radio Board until 2005. Lastly, Sen. Bob Lessard (IND-Int'l. Falls) carried S.F. 1780, a bill that extends indefinitely Itasca County's authority to

undertake a chemical dependency demonstration project.

## Omnibus pension bill advanced

Sen. Jim Vickerman (DFL-Tracy), chair of the State and Local Government Operations Committee, called members back for a meeting Thurs. evening, Mar. 29, to wrap up the slate of bills before the first committee deadline.

S.F. 451, the omnibus pension bill, was presented by Chief Author Lawrence Pogemiller (DFL-Mpls.). The bill includes all of the provisions recommended by the Legislative Commission on Pensions and Retirement (LCPR). The only provision to which testimony was given in opposition was one approving a referendum on mail-in balloting for the Minneapolis Police Relief Association. Pogemiller said the Legislature needs to step in to try to give the full association membership the chance to resolve a board dispute over the authority for mail-in balloting. The bill was approved and re-referred to the Finance Committee.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 1812, a bill that creates a biomedical initiative between the private sector and the University of Minnesota to bridge the gap between business opportunities and the outcomes of research. The bill specifies the makeup, duties and powers of a board of directors for the program. Sen. Ann Rest (DFL-New Hope) offered an amendment to clarify appointment to the board. The bill was approved and re-referred to the Committee on Finance. Another of Cohen's bills gained the committee's approval. S.F. 1864 allows the commissioner of administration to contract for services to provide cooling as well as heating for state buildings. The bill was recommended for placement on the Consent Calendar.

Two bills were presented by Sen. David Tomassoni (DFL-Chisholm). S.F. 834, which is authored by Sen. Douglas Johnson (DFL-Tower), allows the makeup of the IRRRB to be altered if population changes make the requirements impossible to meet. The bill was approved and sent to the floor. Tomassoni's bill, S.F. 1663, allows for a three-percent adjustment in the application of census data to determine a city's eligibility for state aid, grants, loans, or other financial assistance. Stevens and Sen. Don Betzold (DFL-Fridley) said the bill should only apply to Chisholm, the city that inspired the bill. The bill was

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amended to apply to Chisholm and then approved and re-referred to the Finance Committee.

A board created for the dairy industry was approved under S.F. 854, authored by Sen. Becky Lourey (DFL-Kerrick). Sen. Dan Stevens (R-Mora) said he had many concerns about the bill, including a reference to “legislative, administrative, and quasi-judicial powers” granted to the board. Pogemiller offered an amendment to remove the language and recommended the bill be sent to the Committee on Taxes. The bill was approved and re-referred.

S.F. 1529, authored by Sen. Arlene Lesewski (R-Marshall), allows local governments to design certain structures under \$150,000 in cost without hiring an architect. Representatives of the state’s licensing board for architects opposed the bill on the grounds of public safety. Sen. Myron Orfield (DFL-Mpls.) offered an amendment deleting the permission and commissioning a study by the board. Sen. Claire Robling (R-Prior Lake) opposed the amendment, saying that the professionals who would lose income because of the original bill are the ones who get to perform the study. Stevens offered an amendment to the Orfield amendment to specify that representatives of local government be involved in the study. The Stevens amendment was adopted into the Orfield amendment, which was then adopted into the bill. The bill was laid over.

Sen. Bob Lessard (IND-Int’l. Falls) presented S.F. 974, a bill that frees small cities from a conflict of interest law so they can apply for and receive state or federal funding. An amendment was approved requiring disclosure and specifying that the bill applies to cities in St. Louis County of less than 2,000 residents. The bill was approved for inclusion on the Consent Calendar.

S.F. 2045, authored by Sen. David Johnson (DFL-Bloomington), establishes a task force to review proposals for a joint football facility on the University of Minnesota campus. Johnson described the makeup, responsibilities, funding, and focus of the task force and added that the bill requires the task force to report on all proposals brought before the group. Sen. Don Betzold (DFL-Fridley) said the language in the bill implies that a proposal for a stadium must necessarily be the result of the task force. The bill was amended to

clarify that the task force may decide that no stadium proposals are worthy of recommendation. The bill was approved and sent to the Committee on Taxes. Another bill by David Johnson, S.F. 947, was also approved. The measure, which streamlines contracting provisions to allow the Department of Transportation to more efficiently act on approved projects, advanced to the floor.

S.F. 1528, authored by Sen. Roy Terwilliger (R-Edina), generated considerable debate. The bill allows Metro Area home rule charter cities of the first or second class to impose restrictions on the operation of recreational motor vehicles on private property of three or fewer acres. Stevens said the bill is an example of excessive regulation since cities can address the issue through nuisance ordinances. An amendment was adopted to limit the scope of the bill to the city of Edina. Reiter said the bill sets a bad precedent. Based on opposition testimony by a representative of vehicle manufacturers, Robling offered an amendment to clarify that non-recreational use of recreational vehicles is not restricted. The bill was approved and sent to the floor.

Sen. Satveer Chaudhary (DFL-Fridley) discussed relevant aspects of S.F. 1638, a bill that appropriates \$500,000 for sub-regional comprehensive planning by a coalition that includes the cities of Arden Hills, Blaine, Circle Pines, Moundsview, New Brighton, Roseville, Shoreview and the counties of Anoka and Ramsey. The bill was approved and re-referred to the Committee on Finance.

Sen. John Marty (DFL-Roseville) presented S.F. 1824, a bill that consolidates the recommendations of an advisory committee on compulsive gambling. The bill’s appropriation for treatment was amended so that the funding comes mostly from existing taxes. Sen. Dick Day (R-Owatonna) offered an amendment to study the type of gambling that contributes most to addiction and to send an invoice for counseling services to Indian Reservations every time a tribal casino is identified by a study participant. After discussion, Day withdrew his amendment. The bill was approved and sent to the Tax Committee.

In presenting S.F. 1477, Betzold said the only issue under the jurisdiction of the committee is rule-making authority. He said the rest of the bill, which provides for improved collection of child support, received thorough attention in the Health

and Family Security Committee. The bill was approved and sent to the Committee on Finance.

Two bills relate to Hennepin County. Under S.F. 2065, authored by Rest, the county is given the authority to include the costs of certain projects in a capital improvement plan and to issue bonds to pay for them. The bill was approved and sent to the Tax Committee. S.F. 1714 authored by Sen. Martha Robertson (R-Minnetonka), provides for the county’s use of design-build contracts as an alternative to the established competitive bidding process. State Auditor Judi Dutcher opposed the bill, saying design-build opens up the process to corruption and a general lack of accountability. Stevens said design-build saves the private sector money and can do the same for counties. The bill was approved and sent to the floor.

## MnSCU labor bills approved

Under the direction of Committee Chair Jim Vickerman (DFL-Tracy), members of the Committee on State and Local Government Operations approved six bills Tues., Apr. 3, including two bills affecting employees of the Minnesota State Colleges and Universities (MnSCU). All the bills were sent to the floor.

S.F. 1033, offered by Sen. Deanna Wiener (DFL-Eagan), merges the community college and technical college bargaining units under law. The bill also provides that existing labor agreements covering MnSCU employees remain in effect until a new agreement between MnSCU and the merged bargaining unit becomes effective. Ed Schones, co-president of the Minnesota State College Faculty (MSCF), said over 75 percent of each individual unit voted to approve the merger and creation of MSCF. The merger is in everyone’s best interest, he said. Associate Vice Chancellor for Labor Relations John Shabatura said having two bargaining units created numerous problems for MnSCU in labor, academic and programmatic issues. The organization’s board of trustees, he said, supports the merger.

Sen. Ann Rest (DFL-New Hope) presented S.F. 1628, a bill to reclassify customized trainers employed by MnSCU as unclassified employees. The bill also draws a clearer distinction between classified and unclassified employees of other types, Rest said. According to Dana Wheeler, MAPE, about 400 to 450



employees are transferred from unclassified service to classified service under the bill. Shabatura said the proposal has come before the Legislature in each of the last two years and MnSCU remains opposed to it in the bill's third incarnation. The affected employees, he said, are unclassified because of the nature of their jobs. They are financial aid and admissions officers, registrars and other administrators, he said. MnSCU needs a certain level of flexibility in hiring that unclassified status confers in order to maintain services for students, Shabatura explained.

Members also approved a bill to provide health care coverage to the spouses of educators who retired under the state incentive plan of 1993. S.F. 1124, authored by Sen. Satveer Chaudhary (DFL-Fridley), provides that spouses who were covered under a school district employee's health insurance at the time of the employee's retirement may continue coverage under the group until the spouse or retired employee reaches age 65, whichever is later. Representing the School Board Association, Bob Meeks said the bill opens up districts to very narrow exposure and has no cost since the spouses will pay for the group coverage. Thus the association, he said, does not oppose the bill.

Rest also offered S.F. 1064, which allows state agencies to implement a qualification based selection (QBS) system for contracting for services of persons regulated by the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design. According to engineer Jeff Coleman, the bill does not implement design-build or create a single sourcing system. The bill is not intended, he said, to oppose the current best value system. Rather, Coleman said, S.F. 1064 offers state agencies the option to use QBS, a system that involves ranking prospective contractors on a variety of factors, negotiating a contract with the highest ranked contractor and proceeding down the ranked list until an acceptable contract is reached.

Coleman said it is irresponsible for an agency to consider price in the earliest phases of a project when the undertaking's scope is still not clear.

Assistant Commissioner Kent Allin, Dept. of Administration, said his department opposes the bill because price must be considered when entering into an

agreement with a contractor. Allin also said the bill removes some of the administration commissioner's current procurement oversight.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented S.F. 1475. The bill expands the state's long-term care insurance program to cover active and retired state and local employees and their parents and spouses. Kevin Corbid said the Association of Minnesota Counties supports increasing the pool of eligible enrollees. Paul Strebe, Dept. of Employee Relations, said the department's role is to focus on the needs of state employees. The bill, he said, broadens the scope of the program too far.

S.F. 1312, offered by Sen. Douglas Johnson (DFL-Tower), directs the Office of Strategic and Long-term Planning to study locating state employment opportunities and facilities in Greater Minnesota. The study must be reported to the Legislature by Jan. 15, 2002.

## State Government, Economic Development and the Judiciary Budget Division

### Homelessness discussed

Transitional housing, homelessness prevention, supportive housing, neighborhood improvement grants, rental assistance and homes for veterans were among issues addressed by members of the State Government, Economic Development and the Judiciary Budget Division when they came together Thurs., Mar. 29. The division, chaired by Sen. Richard Cohen (DFL-St. Paul), laid over all the bills for further consideration.

The number of children homeless today is greater than the total number of people homeless in 1991, said Minnesota Coalition for the Homeless representative Michael Dahl, who testified in support of S.F. 919. The bill, carried by Sen. Sam Solon (DFL-Duluth) appropriates \$10 million to transitional housing programs and emergency service grants. The money, which will fund services in transitional housing but not capital improvements, is in addition to base funding and TANF grants. Dahl said the funding would give 2,000 more homeless people a place to sleep each night and place an additional 800 people in transitional housing.

Dahl also said there was a great need for funding programs that prevent homelessness in addition to assisting people who are already in need of housing. Sen. Ellen Anderson (DFL-St. Paul) sponsored S.F. 543, which expands funding for the family homeless prevention and assistance program (FHPAP). The program, said Dahl, gives short-term rental assistance to families who are having temporary hardships, negotiates with landlords on behalf of tenants at risk of becoming homeless and supports other preventative actions. He said that in the first half of the last biennium, Ramsey County's FHPAP served 6,781 individuals; 98 percent of the assisted people did not need to stay in a shelter after receiving help. According to a report provided by the Minnesota Coalition for the Homeless, a homeless episode for a family of three costs Dakota County \$12,000 whereas prevention measures for the same size family cost \$1,600.

The panel also considered funding programs that help families at-risk of homelessness keep their children in a single school district during times of transition. Sen. Linda Higgins (DFL-Mpls.) carried S.F. 760, which earmarks \$3 million for the school stability project. Cynthia Fashaw, director of the Minneapolis public school stability program, said the program provides rental assistance to families and give parents budget courses and tenant training. "This is not a crisis intervention program. This is a crisis intervention and prevention program," she said. She also described the impact of homelessness on children and noted that 36 percent of homeless kids display delinquent and aggressive behavior.

Housing for people with mental illness was also considered by division members. Sen. David Johnson (DFL-Bloomington) authored S.F. 1340, which provides rental assistance to persons with mental illness. Gregory Scott, a client of Mental Health Services, said, "Because social security benefits do not cover soaring rents, many people with mental illness are faced with becoming homeless." Markus Klimenko, director of Hennepin County Mental Health Services, said although there are 17,000 people with mental illness in Hennepin County, the county provides housing for only 104 of them. He also said counties provide tenant training and housing search services for people with mental illness. "It is far

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cheaper to provide housing,” said Scott, “Than to pay for a hospital stay at \$900 per night.”

Sen. Martha Robertson (R-Minnetonka) carried a bill, S.F. 867, that grants \$100,000 to School District 287 for the development of supportive housing that gives adults with disabilities the opportunity to live independently. The school district is working with adults with disabilities, their parents, a private developer and Hennepin County Social Services to create an apartment complex that provides adults with disabilities with affordable housing and additional services to meet their special needs, said Robertson. John Hetterick, representing CommonBond Communities, the private developer that is building the housing, said about 25 units will be available.

Sen. David Johnson (DFL-Bloomington) brought the members’ attention to the needs of homeless veterans. He carried S.F. 1221, providing for the development of a housing project for veterans. He said 30 percent of homeless adult men are veterans and 1 percent of all veterans are homeless. The project, he said, would provide housing for 2,300 homeless veterans.

Compulsive gambling was the focus of bills sponsored by Senators Becky Lourey (DFL-Kerrick) and Dean Johnson (DFL-Willmar). Lourey presented S.F. 237, which transfers money from the lottery fund to the St. Louis County Gambling Council. The bill increases the current base funding by \$25,000, Lourey said. She also said the money would be used to fund outreach, prevention and educational services concerning youth gambling.

Dean Johnson authored S.F. 306, which appropriates \$750,000 from the lottery prize fund for the reconstruction of Project Turnabout, an addiction rehabilitation nonprofit organization in Granite Falls. The organization’s facilities had been destroyed by a tornado shortly after being constructed in July, he said. Phil Kelly, from Project Turnabout, said the organization needs \$2.3 million to complete the reconstruction and the grant would help leverage funds from private donors. He said, so far, Project Turnabout has rehabilitated 1,000 people with gambling addictions and 900 people with chemical dependency.

## Economic development bills heard

The Sat., Mar. 31, meeting of the State Government, Economic Development and the Judiciary Budget Division focused primarily on hearing appropriation bills related to programs for economic development. No formal action was taken on any of the requests. All bills were either laid over or forwarded to other divisions.

Two bills that generated a great deal of discussion were S.F. 661, sponsored by Sen. Sandra Pappas (DFL-St. Paul), and S.F. 652, authored by Sen. David Johnson (DFL-Bloomington). The Pappas bill appropriates \$400,000 to the Gopher State Ethanol plant in St. Paul to defray one-third of the cost of a thermal oxidizer that will reduce the amount of odor experienced by neighborhoods around the plant. A resident of the neighborhood said relief from the odor is critical for the people involved, but added that it seems a bit backwards to give money to a company that is polluting the air. Sen. Martha Robertson (R-Minnetonka) offered an amendment that makes the appropriation a loan instead of a grant and provides assurance that the odor is adequately addressed by the equipment installed.

Sen. Jim Vickerman (DFL-Tracy) opposed the Robertson amendment, saying that requiring the company to repay could put the plant out of business. He said that, in the long run, ethanol usage means cleaner air for cities. Sen. Ellen Anderson (DFL-St. Paul) said she wants to keep the plant operating in St. Paul but added that people were misled about environmental impact when support for the plant was originally gained. A plant representative said public money is needed because the expectations being placed on the plant are extraordinarily high. Robertson amended her amendment to leave the money as a grant but specifies that it must be repaid if the plant’s solution to the problem is not timely or effective.

Johnson’s bill, S.F. 652, appropriates \$30 million to the Department of Trade and Economic Development (DTED) to address the impact of a new runway under construction at the Minneapolis/St. Paul Airport. The bill directs the acquisition of certain residential properties in Richfield within the 87-decibel zone of the runway. The mayor of Richfield testified that a total of \$63 million is needed to purchase all the homes in the zone. Residents of Richfield, including one who demonstrated the noise level by sounding a 90-

decibel whistle, testified to the impact the runway will have.

Sen. Richard Cohen (DFL-St. Paul), chair of the division, and Sen. Cal Larson (R-Fergus Falls) both suggested there may be other sources of funding to help address the problem as well, including enhanced revenues derived from the airport. Johnson said the Federal Aviation Administration blocks efforts to raise taxes or to impose costs on the airline industry. He added that the Metropolitan Airport Commission has not done enough to help find a workable solution.

A total of 17 other bills were presented to the division and supported with testimony by concerned parties. Anderson presented three bills under her authorship. S.F. 48 appropriates \$96,500 a year to for a grant to the neighborhood development center in Minneapolis to provide entrepreneurial training and support for Somalis and American Indians. S.F. 539 appropriates \$2.2 million for Minnesota Project Innovation. She said the program provides access to grants, technical assistance and research and development funding to support small companies making inroads in the high-tech industry. The third Anderson bill, S.F. 481, grants \$252,000 to Advocating Change Together for workforce training and empowerment of people with developmental and mental health disabilities.

Sen. Randy Kelly (DFL-St. Paul) sponsored two bills related to community revitalization. S.F. 288 appropriates \$15 million to continue DTED’s redevelopment account. Kelly said the fund, which will otherwise be depleted in the spring of 2001, is used to recycle blighted lands and properties to prepare them for development and to attract private investment. The other Kelly bill, S.F. 667, makes a one-time appropriation of \$250,000 to be used for grants in Minneapolis and St. Paul to revitalize aging commercial corridors.

Economic diversification and stabilization on the Iron Range were addressed in bills presented by Sen. Douglas Johnson (DFL-Tower). S.F. 127 appropriates \$450,000 to recruit businesses and employees for the Duluth Technology Village, a “soft center” initiative for development of the region’s technology industry. The St. Louis County Historical Society, under S.F. 1313, is given \$250,000 to complete the physical component of the Veterans Memorial Hall exhibit. Douglas Johnson also presented

S.F. 243, authored by Sen. Sam Solon (DFL-Duluth), a bill that appropriates \$150,000 for the Northeast Entrepreneur Fund. He said the funding is used for technical assistance to individual owners engaging in micro-enterprise development.

S.F. 227, authored by Vickerman, appropriates \$1.2 million to the director of Office of Strategic and Long-Range Planning. The bill specifies that the money is for planning grants to regional development commissions. Sen. William Belanger (R-Bloomington), presented S.F. 654, a bill that appropriates money to the Mississippi River Parkway Commission to promote tourism and economic development along the Great River Road.

Two bills before the committee assist specific local governments. S.F. 632, authored by Sen. Roger Moe (DFL-Erskine), appropriates money for the cities of Ada, Breckenridge, East Grand Forks and Warren. Moe said the funding is related to the 1997 flood and is to cover interest expenses incurred as the cities await reimbursement from the Federal Emergency Management Association. A bill by Sen. Don Betzold (DFL-Fridley), S.F. 358, appropriates \$178,627 for the Osseo Volunteer Firefighters Association to pay for costly mistakes a consultant made in converting the relief association from a monthly to a lump sum benefit plan.

Two bills address statewide concerns. David Johnson's S.F. 663 authorizes an increase from 10 to 20 cents for the 911 fee charged to all phone customers. The bill also clarifies that global positioning equipment is included in the expenditures allowed with fee revenues. S.F. 555, authored by Betzold, makes a variety of changes in administrative rule making. After extensive review by the State and Local Government Operations Committee and numerous agencies and departments, Betzold offered an amendment to address concerns about the fiscal impact of petitions for rule variances. The amendment allows departments and agencies to charge petitioners seeking the variance.

Three bills were re-referred to other divisions. S.F. 528, authored by Sen. Becky Lourey (DFL-Kerrick), was sent to the Transportation and Public Safety Budget Division. The bill provides funding for a long homicide investigation in Carlton County. Cohen said his division only has jurisdiction over a small portion of the relevant expenses. Douglas

Johnson's S.F. 994 was re-referred to the Higher Education Budget Division because the Natural Resource Institute Grants in the bill fall under the purview of the University of Minnesota. The committee re-referred S.F. 515, authored by Larson, to the Environment and Agriculture Budget Division. The bill appropriates \$500,000 to the Department of Trade and Economic Development for economic, agriculture and conservation projects in Greater Minnesota.

### Funding bills continue

The State Government, Economic Development and the Judiciary Budget Division met Tues., Apr. 3, to continue hearing appropriations bills and to hear another budget presentation concerning state government.

The budget presentation given was that of the Senate itself. Secretary of the Senate Patrick Flahaven gave a brief overview of the request and highlighted a one-time appropriation of \$1.765 million each year for improved technology. Flahaven said the technology request represents a prioritized list of needs as generated by Senators and staff members. Included in the list are workstation upgrades, new laptops, and a new roll call system for the chamber. Sen. David Knutson (R-Burnsville) said he participated in formulating the technology request and urged other members to support it.

Sen. Ellen Anderson (DFL-St. Paul) asked about funding to make television coverage possible in Room 123 of the Capitol. Flahaven said the broad lack of media capability and the looming possibility of wider renovations in the wing make the project not particularly feasible or economical at this time. Sen. Richard Cohen (DFL-St. Paul), chair of the division, questioned Flahaven at length regarding the possibility of moving the offices of all Senators into the Capitol building. Flahaven said doing so might require extensive remodeling, expansion of support staff to a new building, and agreement with others who currently have offices in the building, including the other body, the Attorney General's Office, and some of the Governor's Office.

Bills on the division's agenda included funding requests for new buildings, digital television conversion and technology training. No formal action was taken on any of the bills. All bills that included

specific appropriations were laid over for possible inclusion in the omnibus bill.

S.F. 1079, authored by Cohen, appropriates \$1.5 million in FY 02 to complete the pre-planning and design phase of the new Roy Wilkins Center in St. Paul. Norm Coleman, mayor of St. Paul, said the renovation honors an important civil rights leader and completes the overall convention complex remodeling and expansion. Ora Lee Patterson of the National Association for the Advancement of Colored People agreed, saying that exhibits in the new space will be an important educational opportunity. Mary McColl from the Ordway Center said the new performance space in the Wilkins Center will attract more touring Broadway shows.

Sen. Roger Moe (DFL-Erskine) presented S.F. 398, a bill that funds a new building for the Center for Human Environment in Mahanomen County. Marge Donnell from the center said the adults who live in the center, most of whom have severe alcohol dependency or disabilities, would die on the streets if not for the center. Moe said the tribal government that owns the land intends to raze the buildings and the center needs to find a new location.

S.F. 1294, a bill that appropriates \$900,000 to the city of Ironton, is authored by Sen. Don Samuelson (DFL-Brainerd). The funding is directed toward construction of the Cuyana Range Technology Center. David Miller from the center said it is the only technology center in the entire county and as such provides an important economic resource.

Sen. Keith Langseth (DFL-Glyndon) presented S.F. 107, a bill to help noncommercial television stations convert to digital signals as mandated by the federal government. Langseth said the stations want the state to fund 45 percent of the \$47 million cost. Cohen laid the bill over but noted that the request may be considered instead by the Capital Investment Committee.

The committee discussed two bills under the authorship of Sen. Don Betzold (DFL-Fridley). S.F. 937 addresses concerns raised by administrative law judges from the Office of Administrative Hearings. The bill specifies that the office may be funded by the state general fund instead of by charging the parties in the hearing. The measure also directs agencies to budget for the costs of hearings if the hearings are not to be covered by the general fund.

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The other Betzold bill, S.F. 938, provides funding to the Department of Administration for continued training on information policy. Speaking for the department, Don Gemberling said past funding has been used to provide live teleconferences, create training videos, update a data guidebook, and publish a quarterly newsletter. Assistant Commissioner Kirsten Cecil said the training has been effective but the department's budget favors other priorities. She added that the idea of charging for training was considered but abandoned. Cohen and Knutson both said that charging fees to cover the costs of training would not be an effective alternative because of agency's and department's general distaste for compliance training.

The final bill considered, S.F. 987 authored by Sen. Jim Vickerman (DFL-Tracy), does not request an appropriation. The bill changes premises permits for organizations involved in licensed gambling, specifying that the Gambling Control Board may charge only half of the two-year fee when the permit is issued in the second year of the organization's license.

## Business incubators requested

At the Weds., Apr. 4, meeting of the State Government, Economic Development and the Judiciary Budget Division, members heard presentations on bills appropriating money for business development, tourism promotion, theater renovation, and an ambulance building. All bills were laid over for either inclusion in the omnibus bill or re-referral to the Capital Investment Committee.

S.F. 1389, authored by Sen. David Tomassoni (DFL-Chisholm), makes a one-time appropriation of \$1.8 million in FY 02 for the purchase of a building on the campus of Hibbing Community College. Dr. Stephen Marder, director of the Center for Economic Development at the University of Minnesota-Duluth, said the space will be developed into a full-service business incubator called the Range Accelerator. John Tourville, city administrator for the city of Hibbing, said the project will not only focus on new business, but on the support and retention of existing businesses.

Sen. Grace Schwab (R-Albert Lea) presented a similar request, for Albert Lea, in two different funding formats. S.F. 1961 is an appropriation of bond proceeds and

S.F. 1962 makes a general fund appropriation. Both bills direct \$500,000 to the Albert Lea Port Authority to remodel a building in the Northaire Industrial Park. Schwab said the building will be converted into the Albert Lea Business Development Center, a mixed use entrepreneurial incubator. The project is a combined effort by the city of Albert Lea, Riverland Community College, and Greater Jobs, Inc. Pam Bishop, from Greater Jobs Inc., said the center will seek to attract companies in food products, technology services, and small manufacturing. Schwab said the center will give Albert Lea a better opportunity to compete with aggressive efforts made to attract businesses across the border in Iowa.

S.F. 1698, authored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$4.5 million for the acquisition of the Trout Brook brownfield in St. Paul. Anderson said mixed-use redevelopment of the land will create jobs and provide a green space connector within the existing park system. Lori Lauder, from the St. Paul Port Authority, said the land will require some environmental remediation based on the company that used to occupy the site. Anderson said the project is appropriate for either general fund or bond money.

Sen. Richard Cohen (DFL-St. Paul), chair of the division, took responsibility for the presentation of two bills. Sen. Dean Johnson's (DFL-Willmar) bill, S.F. 1656, appropriates \$350,000 for the Minnesota Valley Regional Development Commission for a new travel information center to coincide with expanding tourism promotion for the region. Geoff Hathaway of the Minnesota Travel Information Center Committee said the counties and cities in the region are spending more to promote tourism and are looking to the center to help encourage increased economic activity by visitors. He said the center will not need state funding for operations because local organizations will be contracted to participate and provide staff.

Cohen is co-author of S.F. 1474, authored by Sen. Sandra Pappas (DFL-St. Paul). The bill appropriates \$100,000 to support efforts to redesign and renovate the Great American History Theatre in St. Paul. John Apitz, board member, said the theater's original, historically based shows are a unique attraction and are one of the top draws in the Twin Cities. Artistic Director Ron Peluso said the theater is located in the former science museum

building. He said some of the funding will be used to develop a capital campaign to attract private funding for the plan.

Money for the city hall in Longville is appropriated in S.F. 1634, authored by Sen. Anthony "Tony" Kinkel (DFK-Park Rapids). Bill Bliss from Longville said the city hall building, when complete, will include space for ambulance services. An ambulance services district was created to fund a portion of the building, but funding from the other governmental units involved has not risen to the level of the original commitments. The bill requests \$35,000 to complete the construction, from either bond proceeds or a general fund appropriation.

In other business, the committee heard representatives of the Department of Finance present a review of several agency or department line items that have changed since the governor's budget was originally published.

## Income and Sales Tax Budget Division

### Long-term care credit considered

Members of the Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), came together Tues., Apr. 3 and heard an assortment of bills, including several that offer credits for long-term care. The committee laid over all the measures for possible inclusion in the omnibus tax bill.

Under current law, a nonrefundable income tax credit is available for 25 percent or \$100, whichever is less, of long-term care insurance premiums. S.F. 1637, carried by Sen. Satveer Chadhary (DFL-Fridley) increases the nonrefundable income tax credit for long-term insurance premiums from 25 percent per beneficiary to 50 percent. Sen. Keith Langseth (DFL-Glyndon) authored S.F. 1110, which allows a subtraction for the full amount of long-term care premiums, less the amount deducted federally. S.F. 1853, sponsored by Sen. Edward Oliver (R-Deephaven), raises the maximum credit to \$200 per beneficiary and lowers the lifetime benefit requirement for plans eligible for the credit from \$100,000 to \$50,000. The bill sunsets in 2005. Oliver said the expiration date prevents the government from subsidizing the long-term insurance industry forever and encourages people to buy their plans soon.

Sen. Ann Rest (DFL-New Hope) carried S.F. 1158, which exempts all insurance companies from the corporate franchise tax. Currently, certain mutual insurance companies and insurance companies that might impose “retaliatory taxes” on Minnesota-incorporated insurance companies are exempt. However, insurance companies do get a credit against their corporate franchise tax dependent on the insurance premium taxes paid. Beverly Turner from the St. Paul Companies said the bill removes a competitive disadvantage and prevents Minnesota companies from being taxed twice.

Rest also authored S.F. 1489, which increases the amount of tax credits given for expenses paid to have someone care for a child under 13 or a disabled dependant, if the care was necessary so the parent or guardian could look for or hold a job. The bill raises the maximum credit allowed for a household earning \$18,610 from \$2,400 to \$4,400 for one dependant and from \$4,400 to \$8,800 for multiple dependants. For households earning more than \$18,610, the credit is adjusted downward and households that make more than \$55,000 do not receive a credit.

Oliver sponsored S.F. 1281, a bill that gives a tax credit to land donated for conservation programs, such as the Conservation Reserve Enhancement Program (CREP). The bill allows taxpayers to take a tax credit equal to 50 percent of the fair market value of land that is donated for outdoor recreation purposes, for educational use or for the protection of fragile ecosystems.

Under S.F. 1856, pre-kindergarten education programs, such as Montessori schools, preschools and nursery schools, are added to the list of items that qualify for the education tax credit. Sen. Sandra Pappas (DFL-St. Paul), author of the bill, said the measure does not apply to daycare programs that do not provide educational activities. She said the tax credit will encourage parents to choose higher quality daycare programs.

Sen. Thomas Neuville (R-Northfield) also presented a bill that expands the education tax credit. As detailed in S.F. 1520, the education tax credit includes educational expenses of a grandchild, step-grandchild, sibling, step-sibling, and the child of a sibling or step-sibling paid by the taxpayer. Pastor Warren Schmalzer, from the Meadow Creek Christian Church,

said relatives often help pay for the cost of schooling and deserve the tax break as much as parents do.

Sen. Lawrence Pogemiller (DFL-Mpls.) offered S.F. 941, which requires the number of a school district to be included on individual income tax forms. Pogemiller said not every taxpayer provides a home address on the returns, making it difficult to determine in which school district the filer resides. He said the information is necessary to better address issues of equalization among schools and can be provided without intruding on the privacy of taxpayers.

The purchase of security cameras installed in convenience stores makes a business eligible for up to a \$5,000 tax credit, as provided in S.F. 915, authored by Sen. Becky Lourey (DFL-Kerrick). Providing a tax incentive to install cameras would result in more cameras and more crimes caught on tape, thus reducing criminal investigation costs and saving the state money, Lourey said.

Sen. Steve Kelley (DFL-Hopkins) presented two tax bills that are part of a greater initiative to encourage the growth of high technology industries in the state. S.F. 1532 provides all companies credit for qualified research expenses. Presently, a similar credit is provided only to C corporations. The rate of the credit provided in the bill is 5 percent, double the current rate. S.F. 2024 creates a subtraction for 50 percent of capital gains, when the gain is realized on an investment in a high technology business.

Jay Hare, from Price Waterhouse Cooper, said the capital gains tax incentives have a multiplier effect because the money earned is reinvested in other companies. The bill also transforms the corporate franchise tax’s non-refundable research credit into a refundable one.

Sen. Michele Bachmann (R-Stillwater) authored S.F. 1847, a bill that gives tax return preparers a choice not to file electronically. Currently, in the year 2002, all preparers who prepare more than 100 returns must file electronically. The bill repeals the 100 return threshold.

S.F. 1876, authored by Sen. Steve Murphy (DFL-Red Wing), creates two non-refundable income and corporate franchise tax credits. One is for expenses for the cost of assessing the telework of employees and the other is for start-up and continuing telecommunications expenses for business.

S.F. 700, presented by Sen. Bob Kierlin (R-Winona), prohibits the

Department of Revenue from using the location of a person’s bank accounts in determining the individual’s residency for income tax purposes.

## Rental housing tax exemptions

Members of the Income and Sales Tax Budget Division met Weds., Apr. 4, to review eight bills. Division Chair Don Betzold (DFL-Fridley) told the panel that although the bills would be examined, they would not be acted upon until a later date.

Sen. Jane Ranum (DFL-Mpls.) carried S.F. 1631, a measure that exempts low-income rental housing owned by non-profits from property taxes, special assessments and sales taxes on construction materials. Ranum said the bill attempts—through a public/private partnership—to encourage churches and other non-profit institutions to help provide solutions to the housing crisis. Representing the Minnesota Catholic Conference, Toby Pearson said that dramatic increases in rental prices have resulted in families having to pay more than 30 percent of their incomes for rent. The bill creates incentives for non-profits to work through Habitat for Humanity and other projects to provide housing, he said.

Amendments were adopted to require that in order to qualify, housing must be rented to persons or families with incomes below 50 percent of the greater of state medium income or the area medium income, and the annual rents must not exceed 9 percent of area medium income. Supplies and materials used for qualified low-income housing are exempt from sales taxes and properties are subject to an assessment of 5 percent of rents in lieu of property taxes. A Department of Revenue analysis indicates that the bill would incur expenses to the state of approximately \$200,000 for FY 2002, \$270,000 for FY 2003, \$275,000 for FY2004 and \$280,000 for FY 2005. The figures are based on the addition of 150 non-profit sponsored housing units per year.

Sen. Jim Vickerman (DFL-Tracy) presented S.F. 1130. The measure reduces the 8.5 percent lawful gambling tax rate to 7.5 percent on the gross receipts less prizes for bingo, raffles and paddlewheels. Under the bill, the pull tabs and tip boards tax rate paid by distributors is reduced from 1.7 percent to 1.5 percent. The tax rates are also reduced on gross receipts from pull tabs and tip boards sales from 1.7 percent

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to 1.5 percent for sales between \$500,000 and \$700,000; 3.4 percent to 3.0 percent for sales between \$700,000 and \$900,000; and 5.1 percent to 4.5 percent for sales over \$900,000.

S.F. 158, carried by Sen. Mark Ourada (R-Buffalo), authorizes Wright County to impose a production tax on aggregate materials removed from the county and transported to another county that imposes a tax on aggregate materials. Under the bill, if Wright County imposes the tax, the destination county may not tax the imported materials. Ourada said 28 counties are currently authorized to impose the tax.

Ourada also carried S.F. 159, a measure that adds Wright County to the list of counties authorized to impose a tax on importers or operators removing aggregate material from sites in the county or importing aggregate material from sites outside the county where an aggregate materials tax is not imposed. The tax rate is 10 cents per cubic yard or 7 cents per ton.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented S.F. 1420, a measure to expand the eligibility for the 2000 sales tax rebate. Attorney Jim Schollessler said the bill corrects inequities related to Minnesotans, specifically, tribal members who live and work on reservations and who are exempt from state income taxes under federal law. Schollessler said it was unfair to disallow sales tax rebates to Native Americans because they pay sales taxes.

Sen. Roy Terwilliger (R-Edina) authored S.F. 1640, a bill to provide a retailers deduction from the amount of sales tax remitted to compensate for the costs of collecting the tax. Terwilliger said that a revised fiscal note would be provided at a later date.

Sen. James Metzen (DFL-South St. Paul) carried S.F. 1751, a measure that removes coin-operated amusement devices, such as video games, juke boxes, and pool tables from the definition of taxable service under the sales tax law. Metzen told members that this category was taxed at three levels: on the machine, the money put into the machine and the services in providing the machines.

S.F. 1819 was carried by Sen. Steve Murphy (DFL-Red Wing). The measure exempts specified machinery and equipment used to provide telecommunications services from the sales tax. Under current

law, telecommunications services, including equipment for the transmission, conveyance, or routing of voice, data, audio, video or other signals, are subject to sales or use taxes. The bill exempts items directly used by the telecommunications service providers as components in the provision of telecommunications services.

Director of Tax Research for Qwest Doug Hurst said the bill combines good equity, good policy, good economics and eliminates double taxing. An amendment was adopted to clarify definitions of exempted items.

## Property Tax Budget Division

### TIF bills heard

Members of the Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), met Weds., Apr. 4, to hear 16 bills relating to tax increment financing (TIF) districts. All the bills were laid over for consideration in the omnibus tax bill.

S.F. 1896, authored by Sen. Martha Robertson (R-Minnetonka) clarifies that a contract entered into by the city of Wayzata to build a library is a qualifying construction contract for TIF financing.

Sen. Dick Day (R-Owatonna) offered two bills. S.F. 1452 allows TIF money to be used for repairing roofs and exterior walls, windows and doors in downtown Owatonna. S.F. 157 provides that the city of Medford may use TIF revenues to provide assistance to commercial facilities for economic development.

S.F. 992, carried by Sen. Don Betzold (DFL-Fridley), allows money to be transferred from existing enhancement districts in Brooklyn Park to a district that is redeveloping a creek and surrounding lands.

Sen. Satveer Chaudhary (DFL-Fridley) also presented two bills. S.F. 1658 extends to the cities of Moundsview, New Brighton and South St. Paul the authority to create housing replacement TIF districts. S.F. 2176 changes the 5-year rule in TIF law to a 10-year rule.

S.F. 1433, offered by Sen. Charles Wiger (DFL-North St. Paul), directs the commissioner of revenue to pay a TIF grant out of a pool created to compensate TIF districts from shortfalls due to reductions in property tax class rates enacted by the Legislature between 1997 and 1999.

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 571, a bill authorizing the city

of St. Louis Park to make local contributions in lieu of the LGA/HACA offset for two TIF districts.

A bill extending the five year rule to six years for the city of Park Rapids, S.F. 2035, was offered by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids).

S.F. 1998, carried by Sen. Dennis Frederickson (R-New Ulm), provides that a 1997 law enabling the city of Gaylord to extend the duration of a TIF district through 2008 will be effective despite the failure of the city council to approve the special law prior to the 1998 Legislative Session. The bill also requires the city council to approve the measure by July 1, 2001.

Sen. John Hottinger (DFL-Mankato) presented three measures. S.F. 1041 creates LGA/HACA offset exemptions for TIF districts. S.F. 2070 allows communities in Southern Minnesota that will be affected by the expansion of the Dakota, Minnesota and Eastern railroad to establish TIF districts to pay for mitigation costs. Under S.F. 2164, examinations and audits by the state auditor are limited to activities and events occurring after June 30, 1995, except in the case of a request by the governing body of the municipality that established the district or a petition from a resident requesting the examination or audit on the basis of evidence of fraud. The state auditor must also, under the measure, conclude any final audit of a district that has been decertified within three years of receipt of the last financial report relating to the district.

Sen. Sandra Pappas (DFL-St. Paul) also offered three bills. S.F. 2149 and S.F. 2175 authorize the city of St. Paul to create TIF housing districts the residents of which must meet income criteria. Under S.F. 2149, at least 10 percent of the residents must be at or below 60 percent of the area median gross income, another 10 percent of the residents must be at or below 80 percent of the area median gross income and the remainder of the residents must be at or below 115 percent of the area median gross income. In the district created by S.F. 2175, at least 20 percent of the residents must be at or below 80 percent of the area median gross income and the remainder must be at or below 125 percent of the area median gross income. S.F. 1473 makes corrections to laws allowing pooling among TIF districts to cover the debt service obligations of one district.

## Telecommunications, Energy and Utilities

### Railroad use bill approved

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Mar. 29, and approved a bill establishing procedures for mediating of disputes between railroad companies and telecommunication businesses.

The bill, S.F. 1821, gives authority to Department of Public Service to arbitrate resolutions to conflicts that involve telephone, telegraph, telecommunications, cable or fiber optic wires that cross or parallel railroads.

"What we do right now for the electrical industry," said Sen. Steve Murphy (DFL-Red Wing), author of the bill, "is issue a way of handling disputes. What the bill does is includes telecommunications under the same provision."

Brian Sweeney, representing the Burlington Northern Railroad, said, "The bill takes law that is narrowly focused on a specific problem and turns it into eminent domain over railroad property."

Murphy said running fiber optic lines parallel to railroad tracks could make the Internet accessible to rural communities, but the telecommunications industry may unfairly take advantage of railroads. "I don't think the telecommunications industry should gouge the railroads. I don't think the railroads should gouge telecommunications," he said. Instead, the bill allows for disputes to be settled as they arise, he said. The committee recommended S.F. 1821 to pass and advanced the bill to the floor.

Murphy also carried S.F.694, which creates the propane education and research council.

As outlined in the bill, the council consists of 13 members and must provide programs to enhance consumer and employee safety as well as promote the development of improvements in propane equipment.

"If the council is self-funded and self-organized, why is the state involved?" asked Sen. Edward Oliver (R-Deephaven). "What happens right now to propane education and research is pretty much willy nilly," Murphy said. He said the council would coordinate the propane industry's efforts and encourage more productive research. The bill was recommended to pass and sent to the floor.

Sen. Steve Kelley (DFL-Hopkins) sponsored a measure to stimulate the spread of Internet access to rural communities. The bill, S.F. 2102, allocates \$1.5 million to Internet providers for capital expenses. Kelley said \$1 million given to the effort last year resulted in \$6 million of investment and 14,000 businesses and 260,000 residences connected to the world wide web. The committee sent the bill to the floor with a recommendation to pass.

Sen. Bob Lessard (IND-Int'l. Falls) authored S.F. 1249, a bill that includes wood residue, sawdust, bark, chipped wood or brush in the list of substances that may be used to fill a mandate for biomass electricity. Paul Kramer, vice president of Rahr Malting Company, said the bill permits the company to convert the byproducts of the malting process to produce 20 megawatts of contiguous power. He also said the company would provide electricity to 6,000 homes. "All of this can be done at a cost competitive with natural gas," he said. The bill was recommended to pass and sent to the floor.

Committee members discussed setting a state goal for energy independence. Sen. Dallas Sams (DFL-Staples) sponsored S.F. 1782, which requires the state to produce at least 50 percent of its own energy needs by 2010. In order to achieve the target independence, the bill establishes a task force to develop an energy policy for the state that promotes locally derived renewable and alternative energy sources. The committee laid the bill over for further consideration.

The committee also addressed the needs of communities forming joint ventures. The first, S.F. 997, sponsored by Sen. Grace Schwab (R-Albert Lea), authorizes the Austin Municipal Utilities Commission to enter into a joint venture with the Freeborn-Mower Counties Cooperative Electric Power Association. Jerry McCarthy, representing Austin Utilities, said the bill was needed to eliminate an unnecessary legal battle over the jurisdiction of the joint venture. The bill was recommended to pass and advanced to the floor. S.F. 2135, authored by Sen. Jim Vickerman (DFL-Tracy), permits municipalities to enter into joint ventures with other municipal utilities, power agencies, cooperative associations and investor-owned utilities to provide utilities services, so long as the terms and conditions of the agreement are ratified by the local governments. The committee

recommended the bill to pass and sent the measure to the floor.

### Energy bill amended

Members of the Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Tues., Apr. 3, to discuss portions of the energy reform bill, S.F. 722.

Metzen announced that the bill is nearing completion. He said that several amendments would be offered at the meeting with the aim of perfecting it. The first amendment adopted was designed to address the renewable energy production incentive provisions. The amendment redefines hydroelectric facilities that are electrical generating facilities that are operational as of June 30, 2001 and have undergone substantial refurbishing after that date, to be completed by Dec., 31, 2005. Language was also amended to define a wind energy conversion facility. A provision added language to indicate that for an eligible publicly owned facility in need of repair, the incentive payment is made to the public owner of the facility in order to finance structural repairs and replacement of components. Under the bill, incentive payments are based on the number of kilowatt hours of electricity generated, at a rate of 1.5 cents per kilowatt hour. The amendment limits the amount of incentive payment to no more than 125 megawatts of nameplate capacity. The amendment also addresses ownership provisions and noncompliance rules. Dept. of Commerce Commissioner James Bernstein said he supported the amendment in its entirety.

An amendment, offered by Sen. Dan Stevens (R-Mora), makes changes to the biomass portion of the bill. Language was added to define an anaerobic digester system and to specify that the system must be owned by a natural person who owns or rents the land where the facility is located. Modifications were also made to the eligibility requirements.

The amendment specifies that public retail electricity providers must file a distributed generation tariff for commission approval.

Under the amendment, the commission assesses whether or not the entity provides low-cost, safe and standardized interconnection of facilities fueled by natural gas or a renewable fuel. The commission may approve a tariff for facilities of no more than ten megawatts of

# Committee update

interconnected capacity. Taylor said the amendment allows for small electrical generators located near or at where the power is used and reduces the need to add infrastructure.

Sen. Dallas Sams (DFL-Staples) offered an amendment to further the development of alternative and renewable energy source development. The amendment requires that the Legislative Electric Energy Task Force evaluate options and priorities for energy source development related to agricultural production and other options in rural Minnesota.

Changes were made to a portion of the bill related to establishing energy efficiency benchmarks and conservation goals in existing public buildings. The amendment sets sustainable building design standards for new buildings and provides tax credits for energy efficiency improvements to commercial or residential buildings. An appropriation of \$10 million is specified in the amendment for demonstration grants to local governments for the purchase and installation in public buildings of distributed electric energy generating equipment and infrastructure that uses renewable sources or natural gas. The amendment also includes a \$25 million appropriation for the establishment of an energy conservation revolving loan program to finance energy conservation capital improvements. A final provision in the amendment establishes the Center for Minnesota's Energy Future within the University of Minnesota. The center is created to research improvements to thermal and energy efficiency, techniques for storing wind and solar energy, including the use of hydrogen fuel cells, and to develop more efficient methods of generating electrical energy.

An amendment addressing consumer protections was considered. Under the disconnection during cold weather section of the bill, language is added to clarify minimum payments to a utility based on a percentage of income that customers must pay to avoid disconnection from October 15 through April 15. In prior testimony it was determined that disconnections rarely occur. The amendment requires that utilities reconnect or maintain service to a customer where a medical emergency exists or where medical equipment requiring electricity is needed to sustain life.

Finally, an amendment related to the formation of joint ventures for providing

utility services was discussed. The provisions apply to home rule charter and statutory cities. Under the bill, following approval of its elected utilities commission or, if there is none, its city council, a municipal utility may enter into a joint venture with other municipal utilities, municipal power agencies, cooperative associations, or investor-owned utilities to provide utility services.

All of the amendments discussed at the meeting were adopted for inclusion in the energy bill.

The panel continued work on the energy bill at an evening hearing later the same day. The committee was presented with two proposals for streamlining the siting process. The first, put forth by the Environment Quality Board (EQB), reduces the time for the siting process from 12 to 6 months, said Allan Mitchell, from the EQB. He said the bill requires certificates of need for energy projects from the Public Utilities Commission unless the project is on a state list of necessary public projects. The measure also clarifies the procedures needed to have a project approved. Mitchell said, "We've streamlined the process so you don't have to go through a process to figure out what process you need to go through."

"Commerce has been working very hard to streamline the process," said Bernstein. "The EQB proposal in front of you does exactly that. We support it in its entirety."

The second proposal, offered by Xcel Energy, puts determining the siting of energy projects under the jurisdiction of local governments. Jim Alders, representing Xcel Energy, said decisions concerning the type and amount of generation and transmission are put under local control.

Bernstein said making energy decision on a purely local basis ignores the fact that what happens in one part of the state's energy supply affects the rest of the state. Taylor said enforcing consistent standards was difficult to accomplish if decisions are made by a variety of local governments.

Both proposals were laid over for further discussion.

## Transportation

### Seasonal weight bill heard

Sen. Randy Kelly (DFL-St. Paul) called the Transportation Committee to order Thurs., Mar. 29, to hear a variety of bills.

S. F. 1769 was authored by Sen. Mark Ourada (R-Buffalo). The bill repeals statutory dates for the period during which gross weight seasonal increases are allowed. Henceforth, the commissioner of transportation is allowed to define periods where increases of the gross seasonal weight may occur, based on a freezing index model. The bill also allows the commissioner of transportation to convey interest to property owners of land used to connect isolated property with another road or highway. S. F. 1769 allows a 10 mph speed limit increase, from 40 mph to 50 mph, in work zones. Further, the bill transfers responsibilities from the Transportation Regulation Board to the commissioner of transportation, repeals over two dozen statutes and rules, and makes technical and clarifying changes. S. F. 1769 was approved and advanced to the floor.

S. F. 1155, a bill modifying vehicle width limitations was authored by Sen. Keith Langseth (DFL-Glyndon). Langseth said the bill specifies the maximum vehicle width limitation of 102 inches (exclusive of the rear view mirror), and does not include apparatus on recreational vehicles that are either driven or towed. The bill also allows motor homes to extend to 45 feet in length rather than be subject to the general length restriction of no more than 40 feet. S. F. 1155 was approved and sent to the floor.

Sen. Dean Johnson (DFL-Willmar), authored S. F. 1709, a bill exempting farm machinery, that is being towed, from displaying two tail lamps to the rear. Johnson said the bill requires the towed equipment to travel no more than 30 mph and the machinery must display a slow-moving vehicle emblem and two red reflectors on the rear of the equipment. S. F. 1709 was okayed and advanced to the floor.

Johnson also presented S. F. 1386, a bill that incorporates federal regulations requiring drug and alcohol testing by motor carriers and commercial motor vehicle operators. The bill was laid over until next session.

S. F. 1903, a bill authorizing religious organizations to operate buses painted "school bus" glossy yellow or golden orange and allowing them to be equipped with a stop arm and flashing lights was authored by Sen. Don Samuelson (DFL-Brainerd). S. F. 1903 was okayed and sent to the floor.

Sen. Julie Sabo (DFL-Mpls.) presented S. F. 1816, a bill regulating advertising



devices adjacent to highways. The bill amends the Fair Campaign Practices law by requiring a political advertisement on an advertising device be marked "Paid Advertisement," and requires equal access to advertising space for all candidates and ballot questions. The bill also necessitates that advertising operate in business and commercial zones only. S. F. 1816 was laid on the table.

## Transportation funding proposed

The Transportation Committee met again in the afternoon Thurs., Mar. 29, to hear a variety of bills proposing various solutions for transportation funding.

Two major funding bills, S.F. 2063, sponsored by Sen. Dean Johnson (DFL-Willmar), and S.F. 1986, authored by Sen. Randy Kelly (DFL-St. Paul), committee chair, dominated debate at the hearing. S.F. 2063 creates a local road improvement fund, specifies criteria for expenditures from the fund, appropriates \$350 million for various highway projects, \$10 million for transit in Greater Minnesota and \$65 million for Metro Area transit. S.F. 1986 provides for a constitutional amendment to dedicate 32 percent of the sales tax on motor vehicles (MVET) to the highway user tax distribution fund and 22 percent to a transit assistance fund. In addition, the measure dedicates 21 percent of MVET to a multi-modal transportation fund created under the bill. The bill also indexes the gasoline tax beginning April 1, 2003 and increases the tax by \$.03 on July 1, 2003. Kelly said the bill raises approximately \$240 million each year for highways and transit. Finally, the measure appropriates \$90 million per year, in bonding, for state road construction for the next 10 years.

The committee approved the Kelly bill, S.F. 1986, and advanced the measure to the Tax Committee. S.F. 2063 failed to gain the committee's approval on an 8 - 8 roll call vote.

The committee heard a number of bills proposing amendments to the Minnesota Constitution requiring differing percentages of the sales tax on motor vehicles to be deposited in the highway user tax distribution fund.

S.F. 367, authored by Sen. Dave Kleis (R-St. Cloud), requires 75 percent of the motor vehicle sales tax to be deposited in the highway user tax distribution fund. S.F. 308 also sponsored by Kleis, dedicates 32 percent.

S.F. 302, authored by Sen. Sen. Debbie Johnson (R-Ham Lake), allocates all sales tax revenues collected to the highway user tax distribution fund.

S.F. 402, carried by Sen. Michelle Fischbach (R-Paynesville), also requires all revenue be deposited in the fund.

S.F. 1253, sponsored by Sen. Mady Reiter (R-Shoreview), requires 50 percent and S.F. 838, sponsored by Dean Johnson, specifies 32 percent, respectively, be deposited to the highway user tax distribution fund.

A bill sponsored by Sen. Roy Terwilliger (R-Edina), S.F. 1686, proposes an amendment to the constitution allowing general obligation bonds to be issued for highways. Another proposal, authored by Terwilliger, allows payment of trunk highway bonds and interest from any source of funds and authorizes an annual gasoline tax adjustment. The measure, S.F. 350, also authorizes the issuance of trunk highway bonds.

Members also discussed S.F. 1687, authored by Sen. Mark Ourada (R-Buffalo), establishing a major transportation project fund for highway and transit projects. The bill allocates MVET proceeds to the highway user tax distribution fund and the major transportation project fund. S.F. 590, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides that revenue from future increases in motor fuel taxes be credited one-half to the highway user tax distribution fund and one-half to a new Minnesota public transit fund. S.F. 698, carried by Sen. Julie Sabo (DFL-Mpls.), establishes a multi-modal transportation fund for highway and transit projects. Finally, S.F. 1900, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), establishes a multi-modal transportation fund and dedicates a portion of the sales tax revenue collected in the Metropolitan Area to the fund.

## Transportation and Public Safety Budget Division

### Public safety bills heard

In addition to hearing the medical marijuana bill, the Transportation and Public Safety Budget Division, chaired by Sen. Dean Johnson (DFL-Willmar), also considered several other public safety bills at the Tues., Apr. 3, hearing. All the bills were laid over for consideration in the division's omnibus spending package.

S.F. 387, authored by Sen. Sheila Kiscaden (R-Rochester), requires a motorist approaching a stopped emergency vehicle on a multilane highway to move to a lane away from the emergency vehicle. Kiscaden said the bill was in the budget division because members of the policy committee had indicated funding might be needed to provide public education about the requirement. Sen. Randy Kelly (DFL-St. Paul) offered an amendment to appropriate \$250,000 to the base of the department to provide ongoing public information and education. Kelly said every year changes are made in traffic laws and there needs to be an ongoing method of informing the motoring public of the changes. The amendment was adopted.

Members also considered two bills that address narcotics enforcement. S.F. 1660, carried by Sen. Don Samuelson (DFL-Brainerd), appropriates \$548,000 in each year of the biennium for law enforcement costs associated with methamphetamine labs. The measure specifies that the grants be allocated in a balanced manner among rural, suburban and urban drug task force agencies. S.F. 75, authored by Johnson, provides for an appropriation to the commissioner of public safety to distribute as matching funds to counties participating in multijurisdictional narcotics task forces that receive federal Byrne grant funds.

S.F. 1994, sponsored by Sen. David Knutson (R-Burnsville), establishes a grant program for counties or groups of counties to establish sexual assault multidisciplinary action response teams. Knutson said the measure is aimed at providing a victim centered response that uses an eight-step process developed as the Minnesota model sexual assault response protocol. Kelly suggested requiring all counties to adopt the protocols. However, Tammy Larson of the Minnesota Coalition Against Sexual Assault said each jurisdiction is different and that part of the value of the program is the process of developing the protocol.

The final bill before the panel for consideration, S.F. 1874, provides for the continued operation of the Camp Ripley at-risk youth weekend camp. The bill, sponsored by Kelly, provides an appropriation of \$1.25 million for the biennium. According to Kelly, the program is not in the governor's budget, but deserves to continue operation.

# Preview

Monday, April 9

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

8 a.m. Room 107 Capitol

**Agenda:** S.F. 1261-Kelly, R.C.: St. Paul RiverCentre arena loan repayments redirection. S.F. 1317-Higgins: Youthbuild programs grants appropriation. S.F. 1074-Johnson, David: Minnesota investment fund provisions modifications. S.F. 1138-Anderson: Lifetrack resources immigrant/refugee collaborative programs grant appropriation. S.F. 1380-Johnson, David: Mental illness employment support services providers grants appropriation. S.F. 1740-Anderson: WomenVenture grants appropriation. S.F. 975-Lessard: Floodwood business and industrial park grant bond issue and appropriation.

The Senate will meet at 11:30 a.m.

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** Pass bonding bills to full committee: S.F. 394-Lourey: Capital loan for ISD 2580, East Central. S.F. 769-Price: Grant to ISD 6067, Tri-District. S.F. 762-Samuelson: Cooperative facilities grant to Swanville and Upsala districts. S.F. 1063-Stumpf: Articles 1,2 and 3 (early childhood articles) and Article 6 (special programs) of governor's E-12 education budget proposal. S.F. 1156-Robertson: Modifying special education provisions. S.F. 2134-Rest: Removing the prohibition on rules relating to special education caseloads. S.F. 940-Pappas: Children's mental health, integrated service models. Report from Sen. Sabo on the Children's Mental Task Force. S.F. 66-Wiger: Establishing a guidance counselor-to-student ratio. S.F. 988-Kinkel: Board of education leadership.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 1399-Kiscaden: Home and community based services options for individuals with disabilities. S.F. 1443-Wiener: Family day care homes swimming pools use regulation. S.F. 1891-Solon: St. Louis County nursing facilities Medical Assistance pass through reimbursement eligibility. S.F. 1594-Higgins: Nursing

facility multiple sclerosis pilot project. S.F. 923-Pariseau: Refugees or immigrants social work licensure examination requirement exemption and temporary permit eligibility. S.F. 963-Foley: Developmental disabilities services expansion. S.F. 2197-Stevens: State health care programs provider participation and retention barrier identification. S.F. 1081-Sams: Health plan companies network shadow contracting regulation provisions modifications. S.F. 1836-Sams: Medical Assistance medication therapy management pilot program. Senate Confirmations to the Emergency Medical Services Regulatory Board: John Baerg, Teresa Gisch, Michael Guthrie, Daniel Hankins, Jeffrey Schiff, Bruce Sherman.

## Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 580-Johnson, Dean: Establishing a nursing grant program. S.F. 670-Schwab: Establishing a loan forgiveness program to teacher recruitment. S.F. 753-Tommasoni: Appropriating money for the Arrowhead University Center. S.F. 1920-Moe, R.D.: Appropriating money to support continued Northwest Technical College programs on Indian reservations.

## Health and Family Security Committee

*Chair: Sen. Dallas Sams*

4 p.m. Room 112 Capitol

**Agenda:** Continuation of 1 p.m. agenda.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

4 p.m. Room 107 Capitol

**Agenda:** S.F. 832-Frederickson: Minnesota Inventors Congress grants appropriation. S.F. 1683-Johnson, Dean: Minnesota rural partners grant appropriation. S.F. 2087-Higgins: Opportunities industrialization center programs appropriation. S.F. 1741-Higgins: Independent living centers grants appropriation. S.F. 1825-Kelley, S.P.: Technology enterprise fund and board. S.F. 2203-Tomassoni: Virginia central steam heating system capital repairs bond issue and appropriation. S.F. 1627-Tomassoni: State employees back pay appropriations. S.F. 1701-Tomassoni: Independent living centers grants appropriation. S.F. 1617-Anderson: Voluntary paid parental employment leave program. S.F. 1980-Vickerman: Travel information centers operation appropriation.

## Education Committee

*Chair: Sen. Sandra Pappas*

5 p.m. Room 123 Capitol

**Agenda:** S.F. 710-Rest: Establishing a state board of education. S.F. 1742-Wiener: Appropriating money for HEAPR. S.F. 1979-Foley: Temporary limited teaching license. S.F. 2093-Pappas: Flexible learning year program. S.F. 2126-Larson: Acquisition of facilities by MnSCU Board of Trustees. S.F. 762-Samuelson: Grant for Swanville and Upsala School Districts.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

5 p.m. Room 15 Capitol

**Agenda:** S.F. 73-Rest: Prohibits modifying pre-90 TIF district plans and restricts expenditures. S.F. 2198-Rest: TIF modifications. S.F. 1798-Scheid: Applies 5-yr rule to pre-1990 districts; time limits. S.F. 1805-Frederickson: Increases aid to counties with casinos. S.F. 1810-Pappas: Permits public uses on tax forfeited lands, changes census date. S.F. 1846-Stumpf: Authorizes tax levy for sub-watershed units, changes levy limits for watershed districts. S.F. 1910-Pappas: Exempt attached machinery of a biomass facility. S.F. 1917-Moe: Provide pay in lieu for certain wetlands acquired by MNDOT. S.F. 1922-Day: Creates special taxing districts to capture value to finance light rail. S.F. 2026-Scheevel: Exempts taxes on electric cogeneration using tires for fuel. S.F. 2129-Lesewski: Creates a wind energy conversion system production tax in lieu of property tax. S.F. 2130-Lesewski: Restricts exemption for property used in a small scale wind energy. S.F. 2136-Rest: Changes jurisdiction of the tax court, small claims division in certain Hennepin County tax cases. S.F. 2181-Ring: Exempts property from certain nonprofit historical societies.

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** Recommendations from Sen. Lourey's Subcommittee on Early Childhood Education. S.F. 1171-Vickerman: Grant to ISD 175, Westbrook, for student entrepreneurship project. S.F. 1974-Kiscaden: Rochester school district recommendations. S.F. 1153-Pappas: First class cities' school districts recommendations.

### Judiciary Subcommittee on Data Practices

*Chair: Sen. Don Betzold*

7 p.m. Room 123 Capitol

**Agenda:** S.F. 1721-Anderson: Regulating use for genetic testing in employment. S.F. 2006-Schwab: Authorizing certain accident data to be made public. S.F. 846-Cohen: Authorizing use of criminal justice data communications network for determining if civil commitment petitions of proposed patient as sexual psychopathic or sexually dangerous person should be filed. S.F. 1937-Chaudhary: Department of Corrections bill. S.F. XXXX/H.F. 2030-Limmer: Providing for a uniform treatment of business data submitted to and collected by government entities.

## Tuesday, April 10

### Transportation Committee

*Chair: Sen. Randy C. Kelly*

8 a.m. Room 112 Capitol

**Agenda:** To be announced.

### Environment and Natural Resources Committee

*Chair: Sen. Jane Krentz*

8:30 a.m. Room 107 Capitol

**Agenda:** S.F. 850-Oliver: Requiring the transfer of land from Hennepin County to Eden Prairie. S.F. 1356-Wiger: Office of Environmental Assistance revolving loan fund. S.F. 1293-Tomassoni: ATV safety training and youth operation program. S.F. 1832-Higgins: Appropriation for brownfield assessments. S.F. 2119-Fischbach: Modifying restrictions on watershed district borrowing. S.F. 419-Lesewski: Maintenance of Lake Currant water level. S.F. 551-Dille: Lock modernization resolution.

### Judiciary Committee

*Chair: Sen. John Marty*

9 a.m. Room 15 Capitol

**Agenda:** S.F. 846-Cohen: Criminal justice data communications network use authority expansion. S.F. 1721-Anderson: Employers genetic testing use prohibition. S.F. 1937-Chaudhary: Department of Corrections provisions modification and clarification. S.F. 2006-Schwab: Motor vehicle accident data public availability. S.F. 2257-Limmer: Business data uniform classification. S.F. 1561-Hottinger: Uniform Commercial Code revised article

9 corrective and conforming amendments. S.F. 1004-Lourey: Farm tractors clock hour meters tampering prohibition. S.F. 1797-Ranum: Nonprofit neighborhood organizations members meeting notice requirements and voting rights. S.F. 2142-Kelly, R.C.: County highways or town roads property condemnation judicial review. S.F. 2249-Betzold: Revisor's bill. Other referrals from policy committees that have met deadline.

### State and Local Government Operations Committee

*Chair: Sen. Jim Vickerman*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 1219-Johnson, David: Legislative Commission on Metropolitan Government. S.F. 1321-Pogemiller: Omnibus pension bill. S.F. 1745-Anderson: Workforce development. S.F. 1760-Johnson, David: Workforce development. S.F. 2031-Knutson: Public works contracts; unenforceability. S.F. 2049-Sabo: Camp Coldwater Springs. S.F. 2138-Anderson: State employees genetic discrimination protection. S.F. 2170-Sabo: Metropolitan Airports Commission Coldwater Springs land acquisition. If passed out of another committee and referred: S.F. 1510-Krentz: Forest Resources Council and S.F. 1963-Krentz: Bid specifications and procurement of commodities to promote recycled materials.

### Legislative Coordinating Commission Subcommittee on Salary and Budget

*Chair: Sen. Roger Moe*

2:30 p.m. Room 400N State Office Building

**Agenda:** Review/approve recommendations regarding compensation evaluation. Review/approve biennial budget proposal. Other business as approved by the chair.

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

7 p.m. Room 112 Capitol

**Agenda:** Update from DCFL on NCREL, Just for the Kids accountability projects. Testimony from UofM College of Education, Office of Accountability. S.F.355-Knutson: Evaluation of districts' financial and academic performance to determine educational 'return on investment.' S.F. 1220-Oliver: Repealing the referendum allowance limits. S.F. 749-Sabo: Grant to the MN Learning Resources Center. S.F. 1647-Sabo: Grant for a residential academy. S.F. 418-Lesewski:

Extending a facilities planning grant. S.F. 2076-Reiter: Pilot program for parallel block schedule in ISD 621, Mounds View. S.F. 512-Sabo: Allowing a contracted alternative school to receive additional revenue. S.F. 636-Kelley, S.P.: Grant to Meadowbrook Collaborative.

## Wednesday, April 11

### Commerce Committee

*Chair: Sen. Sam Solon*

9 a.m. Room 112 Capitol

**Agenda:** S.F. 1485-Kelley, S.P.: Providing for the licensing of money transmitters. S.F. 1964-Oliver: Regulating the Life and Health Guaranty Association; modifying coverages; assessments; rights and duties. S.F. 2033-Reiter: Modifying minimum education requirements for insurance agents. S.F. 311-Scheid: Providing for the procurement of surety bonds. S.F. 1054-Scheid: Department of Commerce omnibus insurance bill.

### The Senate will meet at 12 noon.

### E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** S.F. 2182-Ring: Continual learning plans. S.F. 1813-Pappas: Grants for collaborative urban educator training. S.F. 1500-Sabo: Grant for teacher preparation program for teachers of EBD students. S.F. 670-Schwab: Improving recruitment of excellent teachers for rural Minnesota. S.F. 2259-Scheid: Improving recruitment of excellent teachers; teacher mentoring. S.F. 2173-Sheelvel: Reserving staff development revenue for mentorship of new teachers. S.F. 1978-Stumpf: Nontraditional ag magnet program for NW Minnesota. S.F. 2165-Metzen: Grant to ISD 199-Inver Grove Heights to develop a library of online courses.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 1844-Moe: Insure All Kids. S.F. 1635-Samuelson: Expanding MA to cover intensive early intervention behavior therapy for autistic children. S.F. 691-

Lourey: MA coverage for day training and habilitation services. S.F.1361-Lourey: Providing dental access grants. S.F.1331-Kiscaden: Permitting dental hygienists to practice certain services. S.F. 1145-Ranum: Child protection. S.F. 754-Berglin: Mental health bill. All persons wishing to testify on any of the above bills should contact the committee staff at 651-296-4261 by 11 a.m. on Weds., Apr. 11, 2001.

#### Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** S.F. 343-Kinkel: Competitive grants for new technical and community college programs. S.F. 561-Kleis: Modifying the state grant program. S.F. 1563-Kiscaden: New resident eligibility for in-state tuition rate. S.F. 1803-Kelley, S.P.: Phasing out tuition reciprocity programs. S.F. 2077-Pogemiller: Requiring 3.0 grade point for state grant eligibility. S.F. 2103-Robertson: Merit grants for advance placement and international baccalaureates. S.F. 2078-Kelley, S.P.: Course or curriculum redesign incentive for MnSCU and University of Minnesota.

#### Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 1042-Rest: Clarifying and technical changes to sales and use tax. S.F. 1325-Rest: Tax administration; providing

for electronic filing and paying of taxes; providing for uniform sales and use tax administration. S.F. 1391-Fowler: Making technical corrections and administrative changes to income and franchise, property, sales and use, petroleum deed, cigarette and tobacco, liquor, MinnesotaCare and other taxes. S.F. 473-Pogemiller: Article 2-governor's tax bill. S.F. 999-Ring: Extending tax to counties that vote to impose the tax; increasing rate. S.F. 1189-Rest: Repealing obsolete cigarette and tobacco products tax rules. S.F. 1374-Betzold: Department of Revenue penalty/disclosure bill. S.F. 1847-Bachmann: Administration and compliance; modifying electronic filing requirements. S.F. 941-Pogemiller: Administration and compliance; requiring number of school district that person resides in to be on state income tax return.

#### Finance Committee

*Chair: Sen. Douglas J. Johnson*

4 p.m. Room 123 Capitol

**Agenda:** Committee Resolution on appropriation bill spending limits (budget targets).

#### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

Following full committee Room 118

Capitol

**Agenda:** S.F. 614-Kelly, R.C.: Funding for clean-up of Pigs Eye dump. S.F. 734-Lourey: Duties of the Board of Water and

Soil Resources. S.F. 1177-Hottinger: Money to Blue Earth County for study of Rapidan Dam. S.F. 1248-Murphy: Funding for a dairy diagnostics and modern program. S.F. 1284-Pogemiller: Money for the Mississippi Whitewater Trail. S.F. 595-Frederickson: St. George sewer system.

#### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

5 p.m. Room 107 Capitol

**Agenda:** S.F. 1880-Frederickson: State government finance provisions modifications. S.F. 1276-Johnson, Douglas: State budget and forecast provisions modifications. S.F. 2102-Kelley, S.P.: Internet services catalyst grants. S.F. 765-Hottinger: Fair Drug Pricing Act. S.F. 555-Betzold: State agencies rulemaking procedures modifications. S.F. 2117-Metzen: Camp Ripley national guard youth camp operation and staffing assistance appropriation. S.F. 1688-Cohen: State employee combined charities campaign administration.

### Thursday, April 12

No meetings scheduled.

### Friday, April 13

Senate offices will be closed.

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# Senate Briefly

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*An April shower brings out the umbrella as a lone figure descends the front steps of the Capitol.*

*Photo by David J. Oakes*



April 13, 2001

# Senate Highlights

## Bataan soldiers honored

The Senate met Mon., Apr. 9, to facilitate bill movement between committees and grant final passage to seven measures. Among the bills passed was a special orders bill, S.F. 1269, authored by Sen. Don Samuelson (DFL-Brainerd).

The bill provides for a plaque commemorating soldiers of the 194th Light Tank Battalion who participated in the Bataan Death March during World War II. The memorial plaque is to be placed in the Capitol. Samuelson said it was important to pass the bill on the 59th anniversary of the march's first day. The soldiers of the 149th, which was the federalized national guard unit stationed in Brainerd, endured it—both to survival and to death—he said, so that people at home, then and into the future, could debate the issues of the day freely.

Senators also considered four measures on the Consent Calendar. S.F. 974, carried by Sen. Bob Lessard (IND-Int'l. Falls), provides an exemption to the local public officer's conflict of interest law for cities under 3,000. The bill enables citizens to actively participate in city government while maintaining a financial interest in an economic development or housing project. S.F. 1999, authored by Sen. Jim

Vickerman (DFL-Tracy), amends and deletes obsolete references to the judicial system and clarifies provisions regarding warrant issuance and service. A bill offered by Sen. Steve Kelley (DFL-Hopkins), S.F. 1835, extends from 5 days to 15 days the window in which a discharged employee can demand a written statement of the reasons for discharge. A bill to designate the State Trooper Theodore "Ted" Foss Memorial Highway was carried by Sen. Leo Foley (DFL-Coon Rapids). The bill, S.F. 2005, designates a section of Interstate 90 from TH 74 to the Minnesota-Wisconsin border in honor of a state trooper killed in the line of duty.

One bill passed by the other body was granted concurrence and re-passage. S.F. 480, carried by Sen. Dean Johnson (DFL-Willmar), abolishes statutes that define trackless trolley car, that regulate driving through rough country and that prohibit employment by passenger carriers of persons addicted to liquor. A conference committee report was adopted regarding H.F. 57 and the bill was repassed. The bill, carried by Sen. Claire Robling (R-Prior Lake), expands the definition of disqualifying offense for drivers license school bus endorsement purposes to certain sex related crimes against children.

## LTV bill repassed

The floor session Weds., Apr. 11, was devoted primarily to procedural matters as the second committee deadline neared. Members, though, did adopt and repass the conference committee report on H.F. 47. The measure, sponsored by Sen. Douglas Johnson (DFL-Tower), extends unemployment benefits for workers laid off with the LTV mine closing. Johnson said the other body accepted a 26 week extension of benefits. In addition, the report contains a training requirement. The report was adopted and repassed on 64-0 roll call vote.

The members also defeated a motion to remove H.F. 1360 from committee and bring the measure to the floor. The bill, known as the Minnesota Citizens Personal Protection Act of 2001, had failed to gain the approval of the Crime Prevention Committee. Sen. Pat Pariseau (R-Farmington), chief author of the measure, said the citizens of the state have a right to know where their elected officials stand on the issue. Majority Leader Roger Moe (DFL-Erskine) spoke against the motion and said the bill was heard by committee and that picking and choosing bills to pull to the floor could only lead to a disorderly end to the session. The motion failed on a 23-40 roll call vote.

## "Choose Life" plates chosen

"Choose Life" says a license plate design that was approved by the Transportation Committee, when the group met Tues., Apr. 10.

S.F. 2039, authored by Sen. Don Samuelson (DFL-Brainerd), requires the state to issue special "Choose Life" license plates. In order to buy one of the plates, as specified in the bill, a person must pay a \$10 fee for shipping and manufacturing as well as contribute at least \$25 to a special adoption fund.

Under the bill, the funds are distributed to nonprofit organizations that counsel and meet the physical needs of pregnant women who are committed to placing their expected children for adoption. The money, states the bill, may not be given to nonprofits that provide counseling for abortion, give referrals to abortion clinics, perform abortions or have proabortion advertising.

Supporters of the measure said the bill increases a woman's range of choices when faced with an unplanned pregnancy by making adoption an affordable option.

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“The bill provides more choices by providing the necessary funds for women who carry their babies to full term,” said Minnesota Citizens Concerned for Life representative Andrea Rau. Collen Tronson from the Metro Women’s Center said, “A woman can choose abortion. It’s in the law. We can offer her adoption so she doesn’t feel it’s her only choice.”

Connie Perpich from Planned Parenthood said that the bill does not give funding to Lutheran Social Services and the Children’s Home Society, two of the largest adoption providers in the state, because the organizations provide information about abortion to their clients. “The bill places a gag rule on a legal action,” she said.

Sen. Sandra Pappas (DFL-St. Paul) offered an amendment that allows the funding collected from the sale of the plates to fund any organization that provides adoption counseling, even if they also give information on abortion services. The committee defeated the amendment.

Perpich also said the bill violates first amendment rights, because the state is sanctioning a singular political message. She said both states that have “choose life” licenses plates currently are defending them in court.

Sen. Keith Langseth (DFL-Glyndon) said he always voted on the pro-life side of policy decisions, but planned to vote against the bill because the state should not be making political statements. “I don’t believe in getting the state involved in making political statements,” he said. Perpich said the majority of unwed mothers choose to raise their own children and, by using the funding specifically for adoption services, the state ignores the needs of mothers who keep their own children. “We are telling them they made the wrong choice,” she said.

“I look at the issues from a bigger perspective. It is sending a positive message on several fronts,” said Sen. Claire Robling (R- Prior Lake). “Think of teenagers who are committing suicide at alarming rates, we are telling them to choose life.”

On a 10-6 vote, the committee, chaired by Sen. Randy Kelly (DFL-St. Paul), advanced S.F. 2039 on to the Finance Committee with a recommendation to pass. Sen. Dean Johnson (DFL-Willmar), co-author of the bill, said the measure will not be included in the omnibus transportation bill.

## Personal Protection Act fails

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Apr. 6, to consider several bills.

Sen. Pat Pariseau (R-Farmington) presented S.F. 1395, a controversial initiative to amend current law addressing permits to carry pistols. The bill specifies that the portion of statutes related to the bill be cited as the Minnesota Citizens’ Personal Protection Act of 2001. Pariseau said current permit policies “leave those in the greatest need without the means of protecting themselves.” Current law states that the granting of a firearm permit is discretionary. Citizen John Caile said that although we already have concealed-carry laws, it’s almost impossible to be granted a permit in the Metro Area. He said the law is meaningless if most citizens are denied the right to obtain a permit.

Under the bill, sheriffs are provided the sole authority to issue permits to carry pistols. Procedures for applying for a permit are specified and the criteria for granting one are detailed. The bill requires that permit applicants must be at least 21 years of age and must present evidence of training in the safe use of a pistol within three years of application. A provision requires that a background check must be conducted by sheriffs through the Bureau of Criminal Apprehension (BCA) and must be updated annually. Persons listed in the criminal gang investigative data system are disqualified from obtaining a permit. A provision authorizes sheriffs to issue emergency permits to persons in situations that may constitute an immediate risk to the safety of the person or someone residing in the person’s household.

Several witnesses testified in favor of the measure. Mary Jane Sullivan, Women’s Firearms Alliance, said that women are at a high risk for being assaulted and should be allowed to obtain a permit to carry a pistol for self defense. Dr. Robert Wooley said he supports non-discriminatory laws. Others testified that they feel it is constitutionally wrong to be denied self protection.

Testifying for the Million Mom March, Joan Peterson said she opposed the bill because there were 330 firearm-related deaths in Minnesota last year. Of those, she said, most were attributed to suicides or homicides and only 10 were incidents between strangers. She said, “This bill is not going to help protect us or decrease violence in Minnesota.” Minnesota

Association of Chiefs of Police Dennis Delmont said, “This bill is troublesome from start to finish. It removes all local control and gives authority to sheriffs.”

Ranum said the bill fails to address domestic violence and child endangerment. She said she was also concerned about issuing permits to people with chemical dependency problems and mental illness, which are often not easily determined.

Members voted to reject the bill.

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## Editor’s note

Due to the Senate’s scheduled spring break and its effect on our publication schedule, Senate Briefly is unusually short for the week of the second deadline. Because Senate offices will be closed on Fri., Apr. 13, the issue is being released one day early. Due to the Wednesday night committee deadline, committee actions on the day of the second deadline are not covered in this issue. Please refer to next week’s issue, published Fri., Apr. 20, for an update on committees meeting Weds., Apr. 11.

As earlier announced by the Senate, the body is taking a spring break. Thus, no meetings will be held Thurs., Apr. 12 through Mon., Apr. 16. Senate offices will be closed on Fri., Apr. 13. Committees and floor sessions will resume meeting at 12 noon, Tues., Apr. 17.

## Information Services

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# Committee update

## Commerce

### Bad checks addressed

Sen. David Johnson (DFL-Bloomington) carried a bill, S.F. 1227, that generated considerable discussion Fri., Apr. 6, as members of the Commerce Committee met. Sen. Sam Solon (DFL-Duluth) chairs the committee.

David Johnson said the bill, which regulates the process under which retailers collect dishonored checks, is similar to laws 41 other states have on their statute books. Annette Henkel of the Minnesota Retailers Association said checks are an important part of Minnesota retailers' ability to do business. The law creates a new second notice to the consumer that the check has been declined and standardizes the notices sent to consumers. The bill creates, said Henkel, a window of up to 70 or 80 days for a consumer to make good a

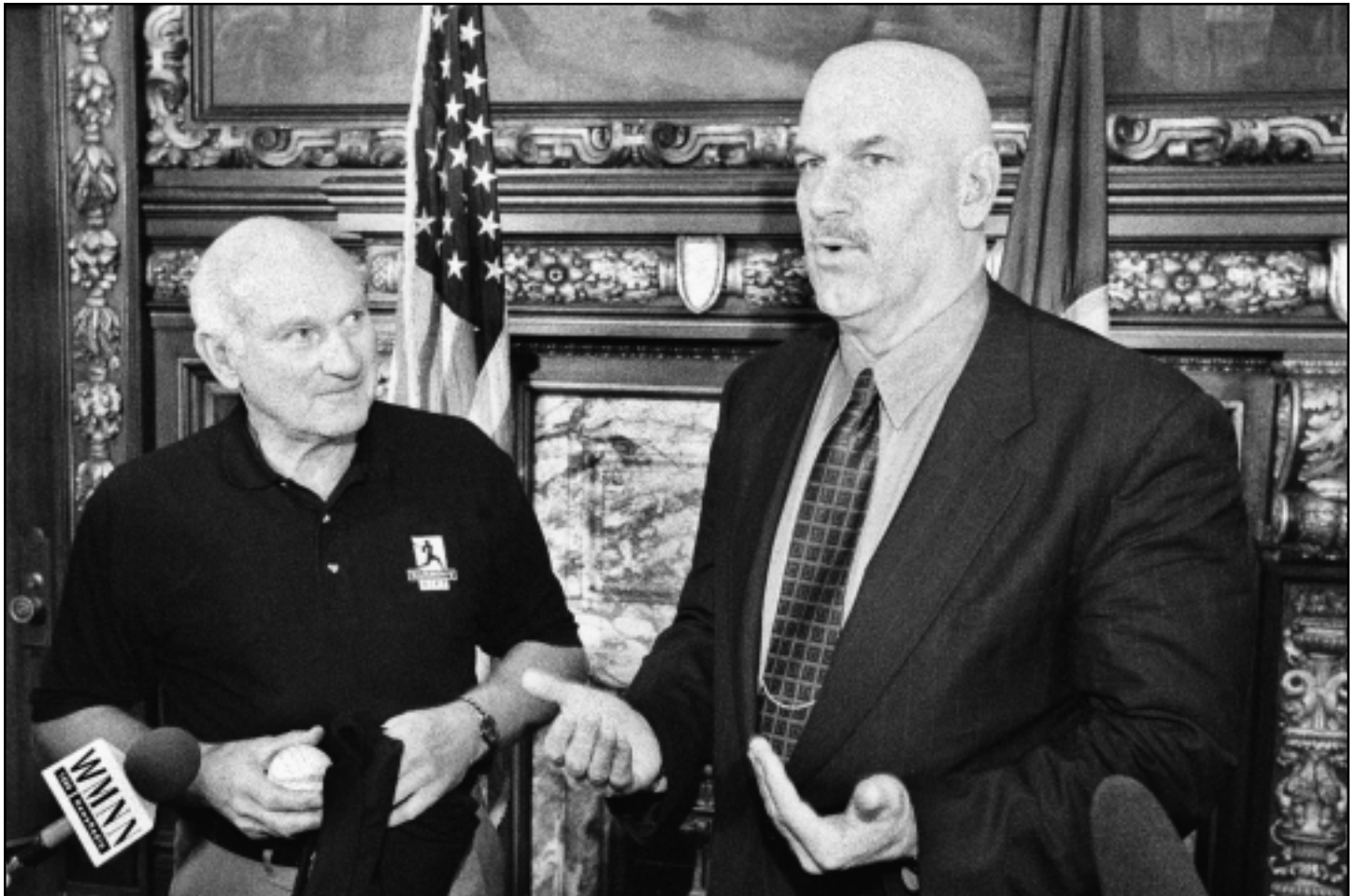
check returned unpaid to the merchant. Currently, she said, retailers have to absorb about \$5 million in bad checks every year. The costs, Henkel and David Johnson both emphasized, are often passed on to honest consumers.

Sen. Linda Scheid (DFL-Brooklyn Park) asked if Minnesota has a disproportionate number of bad checks issued. Henkel said the numbers are hard to determine, but that her organization believes bad checks are written more often in Minnesota because of the consumer check-writing culture.

Galen Robinson, an attorney with Legal Aid, testified in opposition to the bill. He said it is important to have a third party involved in bad check cases. Since the bill creates a streamlined, more automatic collection procedure, courts are less involved in the process, he said. David Johnson agreed that courts would be less involved, but he stressed the feature as a

positive result of the legislation. Robinson said the bill does not extend enough exceptions to consumers who had no intent to bounce the check. The bill offers consumers an extension if the issued check bounced because a paycheck was deposited into an account in good faith and the consumer believed the check was being issued against an account in good standing. "I can think of a number of other reasons why checks are bouncing," said Robinson. He cited several circumstances beyond an issuer's control, such as bank errors and domestic disputes. Scheid offered an amendment to include such circumstances as exemptions under the bill. David Johnson said the broader language only puts more bad check cases in the judicial system. Scheid's amendment was defeated. The bill was approved and re-referred to the Committee on the Judiciary.

Scheid carried S.F. 1264, a bill that gives seniors a right to decline no-fault



Baseball Hall-of-Famer and Minnesota Twins legend Harmon Killebrew (left) listens as the governor reminisces about Killebrew's days with the Twins during a visit to the State Capitol Tues., Apr. 10. Killebrew announced that, as part of his 65th birthday celebration, he will be hosting a fundraising gala to benefit Gillette Children's Specialty Healthcare.

Photo by David J. Oakes



coverage for income loss as part of their auto insurance. The measure also requires the insurance company to notify seniors of the right at the first issuance or renewal of insurance after age 65 and annually thereafter. Under the bill, an election not to have coverage remains in effect until it is revoked by the insured senior. Scheid said the bill was precipitated by a court ruling that held that insurance companies, under current law, are obligated to determine if a senior needs coverage for income loss. Bob Johnson, representing the Insurance Federation of Minnesota, said insurers do not want that responsibility. "Either way we decide it, we'll make the wrong decision," he said. It makes sense for seniors to determine their own needs, Bob Johnson said.

Barry Blomquist, an attorney involved in the case precipitating the legislation, said current law provides substantive coverage and gives seniors the right to decide for themselves. "This law is clear and unambiguous on its face," he said. The proposed legislation, Blomquist said, places the burden of explaining rights and procedures to seniors on the shoulders of insurance agents, deprives seniors of benefits they could be collecting under current law—in the form of either necessary coverage or discounts for waiving unnecessary coverage—and increases litigation against insurance companies.

The bill was approved and sent to the floor.

Members also considered S.F. 970, offered by Sen. Steve Murphy (DFL-Red Wing). The bill prohibits predatory gas pricing and defines a retailer's cost for gasoline. The bill prohibits retailers from selling gasoline below the defined cost. Larger retailers, Murphy said, are unfairly driving smaller gas stations out of markets across the state. Representatives of the Minnesota Petroleum Marketers Association, Minnesota Service Station Association and Minnesota Association of Cooperatives all spoke in support of the bill. Service station association representative Ted Brausen said the organizations aren't seeking legislated profitability, just fair competition.

S.F. 970 was approved and sent to the floor.

Sen. Dallas Sams (DFL-Staples) presented two pieces of legislation to the committee. S.F. 983 changes several aspects of the buyback obligations of a farm implement manufacturer when a sales

agreement between the manufacturer and a dealer has been terminated. Primarily, the measure increases the percentage of the price the manufacturer is required to pay the dealer for returned parts. Sams said the percentage is increased because manufacturers are increasingly automatically shipping set quantities of repair parts to dealers. Some dealers, he said, will never sell any of the parts. The bill was approved and sent to the floor.

S.F. 1081, Sams' other bill, requires a health care provider to affirmatively consent to participation in a new category of coverage different from the provider's current categories of coverage and requires a provider to be notified of any amendments to the provider's contract. The bill was re-referred to the Health and Family Security Committee with a recommendation to pass.

## Crime Prevention

### DWI bills okayed

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), met Fri., Apr. 6, to consider several bills in addition to the Personal Protection Act measure.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1208, a bill that adds a B-Card violation to the list of offenses for which consecutive sentencing is permitted, when a court is sentencing a person who has two or more prior impaired driving conditions within ten years. Foley said that a B-card violation is a violation of the no alcohol condition of a restricted drivers license. The bill expands the list of permitted uses of the alcohol screening test and increases a driving violation of the no alcohol condition of a restricted drivers license from a misdemeanor to a gross misdemeanor.

An amendment was adopted to specify forfeiture procedures related to motor vehicles. The bill was laid over.

Foley also carried S.F. 1150. The measure extends the reporting requirements for health professionals to include instances in which the professional treats a person for an injury resulting from a motor vehicle crash where there is evidence suggesting that the person ingested alcohol or a controlled substance. The bill provides immunity from liability to individuals reporting in good faith any controlled substance or alcohol-crash related information.

Foley said the measure was recommended by the DWI Task Force after they determined that there are very low prosecution rates on fatal accidents involving alcohol.

Sen. Don Betzold (DFL-Fridley) said the bill may raise constitutional issues by requiring medical personnel to report on patients without providing 5th amendment warnings.

A representative of the Citizens Council on Health Care said he opposes making hospitals and health care personnel an extension of law enforcement. Doctors take a vow of confidentiality and the bill diminishes the trust that patients have of doctors, he said.

An amendment was adopted to delete language requiring that any statements made to health professionals by the patient indicating consumption of alcohol or a controlled substance, be reported to law enforcement officials.

S.F. 1150 was approved and amended into S.F. 1208, which was then re-referred to the Judiciary Committee.

Sen. David Johnson (DFL-Bloomington) authored S.F. 1750, a bill that allows local governmental units to form a financial crimes investigation unit to investigate identity theft and major financial crimes. Johnson said the measure addresses Internet fraud and other complex stolen identity crimes.

Under the bill, a group of two or more local governmental units may join to investigate identity theft and financial crimes, including a variety of forms of theft, fraud and forgery. He said the bill targets criminals who commit multiple cross-jurisdictional crimes and employ computers or other sophisticated technology to commit fraud or illegally obtain consumer information for identity theft. The bill was approved and re-referred to the Judiciary Committee.

The final bill was presented by Foley. S.F. 1334 requires the submission of DNA analysis from offenders convicted of, or adjudicated delinquent for felony level fifth degree criminal sexual conduct. Other provisions include increasing penalties for the crime of fleeing an officer when the crime results in death and expanding the definition of the crime of aiding an offender to include a person who knows or has reason to know that the actor committed a crime.

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

# Committee update

## Education

### Early ed proposals unveiled

The Early Childhood Education Subcommittee met briefly Thurs., Apr. 5, to hear a bill known as the Early Childhood Care and Education Services Act. Sen. Becky Lourey (DFL-Kerrick), chaired.

Sen. Julie Sabo (DFL-Mpls.) authored S.F. 2034, a bill that brings the community of early childhood education providers together into one system through a restructuring process. Sabo said the bill requires growth and a phase-in element. She said, "The plan is far-sighted and we would grow into it as funding becomes available."

A provision in the plan calls for establishing local early childhood boards. She said the boards will qualify sites and submit plans.

Additional charges for the board include needs assessment, planning, implementing and monitoring care, and education services in the communities that provide training, said Sabo.

"The local early childhood boards interface with school boards from a position of strength so the intent and quality of services are not compromised," said Sabo. She also said, "Governance provisions are skeletal to provide for input." S.F. 2034 was approved and referred to the E-12 Education Budget Division.

### TEACH bill discussed

The Early Childhood Education Subcommittee held its final meeting of the session Fri., Apr. 6, to comb through the teacher education and compensation helps (TEACH) program bill.

S.F. 1585, authored by Sen. Becky Lourey (DFL-Kerrick), committee chair, provides tuition scholarships, education incentives and retention bonuses to child care and education providers and staff. Funding in the amount of \$8 million in FY 02 and FY 03 for grant appropriations to a non-profit organization licensed to administer the TEACH program is specified under the bill.

The non-profit organizations distribute scholarships up to \$2,000 per year for courses leading to nationally recognized child development associate credentials, college-level courses leading to the University of Minnesota competency-based training assessment credential or

similar credentials recognized by CFL, or an A.A., B.A., or M.A. certificate in early childhood development and school-age care. In addition, qualifying applicants receive education incentive bonuses of \$300 - \$500 if one year of work is completed in the child care and education field.

Under the bill, the non-profit organization also distributes annual funds for retention bonuses. The amount of the distribution ranges from \$600 to \$3,500 and the bonuses are based on the applicant's level of education at the time of application.

Lourey said providers and staff are eligible for the retention bonus if they have worked in the field and have been at the same location for at least one year and are also earning an hourly wage that is less than an elementary school teacher's in the district. Further, the scholarship and bonus amounts are adjusted by the inflation rate, she said.

A half dozen individuals spoke in favor of the bill. Nancy Latimer, of the McKnight Foundation, said the foundation studied the intent and approach of the bill and is awarding a \$1 million grant, contingent on matching funds. She said the bill aids regional economic development. "Finding a lack of good child care is a deterrent for start-up businesses," she said. Further, she said the bill provides a good possibility for public-private relationships. Latimer said, "The McKnight Foundation supports the bill because it is a well thought-out project that is well designed and likely to succeed."

Karen Bradley, a child care provider, said there are presently 15,000 child care providers in Minnesota, serving 150,000 children. She said, between 1999 and 2000 about 181 family child care centers opened and 121 closed. She also said, family child care centers need a system, that Lourey's bill provides. "TEACH improves the quality of child care and the bonus compensation system helps retain providers, which is better for children."

Sen. Michele Bachmann (R-Stillwater) opposed the bill. She said she favors increasing the value of the personal exemption so families have greater opportunities to care for their children at home.

The committee approved Lourey's recommendation that the bill be considered for approval in the E-12 Budget Division.

### Board of education tabled

The Education Committee, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard nine bills Mon., Apr. 9. In addition to approving a number of minor bills, members discussed S.F. 710, a proposal to recreate a State Board of Education. Sen. Ann Rest (DFL-New Hope), author of the bill, explained that the Board of Education was eliminated in 1999 and its duties assumed by the Dept. of Children, Families and Learning (CFL). Rest's bill reestablishes a 14-member board consisting of citizen representatives appointed by the governor.

Marcia Gronseth, former director of the State Board of Education, spoke in support of the bill on the grounds that it provides for vital citizen input in the education system. "Historically, this state has valued a strong link between citizen boards and education," she said. Rose Hermodson of CFL opposed the bill, saying the agency incorporates citizen advisory groups in its planning processes. The agency just completed the transition following abolition of the board, she said, and opposes reinstating another layer of government. Acknowledging deadline pressure, Rest agreed to lay the bill on the table for further study. She emphasized that even though the board was abolished, the state should look at the role of citizens in forming education policy.

Members also heard S.F. 1979, authored by Sen. Leo Foley (DFL-Coon Rapids). The bill requires the Board of Teaching to accept applications for temporary limited teaching licenses or personnel variances beginning July 1, instead of August 1, and act on the applications within 30 days. Foley read a statement from the Anoka-Hennepin School District saying that teachers are usually hired by mid-June, and having an August deadline for temporary teaching licenses delays an already long process. Members adopted an amendment stating that the 30 day deadline applies only when applications received are complete, and advanced the bill to the floor.

Sen. David Tomassoni (DFL-Chisholm) presented S.F. 1387, the Dept. of Natural Resources forestry bill. Under the purview of the Education Committee were sections related to payments made under state taconite leases. Under current law, all payments made on school or university trust fund lands go to school and university trust fund accounts. The bill

diverts 20 percent of each fund to an account used to provide grants to taconite mining companies for cost-saving improvements. Tomassoni said the bill is a response to the LTV mine closing. By helping taconite mines stay in business, he said, the state ensures that lease money continues to enter the school and university trust fund accounts.

Members questioned the constitutionality of proceeds from school and university trust fund lands supporting a private entity. Sections relating to taconite leases were deleted from the bill and referred to the E-12 and Higher Education Budget Divisions. The remaining forestry bill was sent to the floor.

Finally, members advanced six bills that had been referred from the budget divisions. The following bills were sent to the Capital Investment Committee: S.F. 762, authored by Sen. Dallas Sams (DFL-Staples), authorizes a \$11.5 million grant to Swanville and Upsala school districts; S.F. 394, carried by Sen. Becky Lourey (DFL-Kerrick), authorizes a \$19 million capital loan to ISD 2580, East Central; S.F. 769, authored by Sen. Leonard Price (DFL-Woodbury), approves a \$1.7 million grant to ISD 6067, Tri-District; S.F. 1742, carried by Sen. Deanna Wiener (DFL-Eagan), appropriates \$35 million in bond proceeds for Higher Education Asset Preservation and Replacement (HEAPR); and S.F. 2126, authored by Sen. Cal Larson (R-Fergus Falls), provides for the acquisition of facilities by the Minnesota State College and Universities (MnSCU) Board of Trustees. S.F. 580, carried by Sen. Dean Johnson (DFL-Willmar), was referred to the Finance Committee. The bill establishes a grant and loan forgiveness program for nursing students.

## E-12 Education Budget Division

### Early childhood bill heard

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls) met Mon., Apr. 9, and heard four bills. In addition, Sen. Becky Lourey (DFL-Kerrick) presented recommendations from the Early Childhood Subcommittee. All bills were laid over for possible inclusion in the omnibus bill.

Lourey discussed recommendations made by the Early Childhood Subcommittee that were incorporated into S.F. 1585.

She said the subcommittee heard 18 bills and elements of 9 bills—authored by herself, Sen. Roger Moe (DFL-Erskine), Sen. Ann Rest (DFL-New Hope), Sen. Claire Robling (R-Prior Lake), Sen. Martha Robertson (R-Minnetonka) and Sen. Julie Sabo (DFL-Mpls.)—were present in the bill.

Highlights of the presentation included the general eligibility requirements for child care assistance applicants, which guarantees that a child care subsidy is offered to all families whose earnings are 75 percent of state median income or below at program entry and exit. Additionally, the bill establishes the upper limit of income eligibility for child care assistance at 75 percent of state median income for a family of 4, adjusted for family size. Lourey said, “We wanted to get rid of the waiting lists for child-care subsidies, to make sure the programs are available to our children and that they are quality programs.”

Several child care assistance programs are consolidated under the bill. The consolidation allows for resource sharing and a total funding amount of \$213 million.

Another provision in the bill is aimed at retaining qualified child care providers. The bill appropriates \$8 million in FY 02 and FY 03 for grant appropriations to non-profit organizations licensed to administer the TEACH program. The organizations can then provide \$2,000 per year in provider scholarships for courses leading to nationally recognized child development associate credentials, college-level courses leading to the University of Minnesota competency-based training assessment credential or similar credentials recognized by CFL, or an A.A., B.A., or M.A. in early childhood development and school-age care.

Additionally, \$300 - \$500 incentive bonuses are provided to qualified applicants if one year of work is completed in the child care and education field. The non-profit organizations are also allowed to distribute retention bonuses from \$600 - \$3,500 to qualified child care providers. Lourey said S.F. 1585 appropriates approximately \$428 million for early childhood education, which is a \$53 million increase over the last biennium.

In other action, Sen. Jim Vickerman (DFL-Tracy), presented S.F. 1171, a bill appropriating \$68,000 for a grant to ISD 175, Westbrook, for a student entrepre-

neurship project. Austin Kerstav, a student and member of the project, said the Westbrook-Walnut Grove High School student entrepreneurship project, involving the production and marketing of Prairie Bar-B-Que sauce, began four years ago with a 2-year, \$50,000 grant. He said the grant paid for start-up costs and mentoring other school districts.

The project has added two new flavors and is sold nationally, he said. The project now needs funds to expand internationally and to develop a plastic bottle for the sauce, said Kerstav. Sen. Michele Bachmann (R-Stillwater), asked if the students went to the local bank for a loan. Lynn Arndt, the business education teacher from Westbrook-Walnut Grove High School, said the project doesn't have the authority to make loans in the school district's name. Sen. Kenric Scheevel (R-Preston) asked if the school district has the authority to take out low-interest loans. Fiscal Analyst Eric Nauman said funds are not sufficient to collateralize the loan, which makes it impossible.

S.F. 1974, authored by Sen. Sheila Kiscaden (R-Rochester), authorizes an integration referendum revenue restoration, which is formula-driven, for the Rochester, Duluth, St. Paul and Minneapolis School Districts, and other school districts with an integration plan. The bill also provides for a special education cross-subsidy aid. Kiscaden said the Rochester School District is seeking to obtain the same level of aid as the Duluth School District. Both districts have the same number of minority students but Duluth is receiving a higher percentage of aid, she said.

Kiscaden said under the bill, Rochester is allowed to put additional funding into the English as a second language program. She said there are 56 different languages spoken in the district and schools are forced to teach English at all grade levels, which places a strain on the budget. “Rochester has three high schools with 1,600 students in each school. Many of the students are minorities and need English classes,” she said. Sen. Jane Krentz (DFL-May Township), said the bill simply gives equity to school districts. Scheevel said, “The Rochester School District is funded significantly under the state's average in integration aid and the bill provides appropriate aid for them.”

The second provision in the bill, special education cross subsidy aid,

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provides the Rochester School District with the funds to shore up the shortfall in its general fund due to increased special education needs. She said, "Rochester public schools are unique in the state because the Mayo Clinic attracts families that have children with serious disabilities."

She said the district has witnessed a dramatic increase in students with significant health impairments, including medically fragile students. Further, Kiscaden said \$5.3 million of Rochester's \$9.2 million anticipated shortfall can be attributed to the cross-subsidy for special education.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 1153, a bill increasing special education revenue, broadening funding for the grade one preparedness program, increasing funding for English language learners and fully funding transportation services for non-public and charter school pupils. Pappas said the bill also modifies a hearing request, makes the five percent reallocation of compensatory revenue permanent and authorizes the sale of bonds by the St. Paul School District.

Bob Wedl, from the superintendent's department of the Minneapolis School District, said, "Health care, fuel costs and children's needs are growing faster than the rate of inflation." He said the district has three requests to aid the school district in meeting its budget. First, he said, special education should be fully funded and should address the needs of all students. Some needs cost more than others and programs need to be funded adequately to provide equitable education, he said. Additionally, increased funding for non-English speaking students is needed, he said. Lastly, Wedl said, "All-day kindergarten is crucial and we know it works." He said children enrolled in all-day kindergarten, who begin the school year behind children in half-day kindergarten, are ahead of those same students by the end of the year.

Becky Montgomery, from the St. Paul School District, said, "One third of our students are English language learning and 50 percent of the kindergartners are English language learners. Further, she said the district has added 3 level-5 EBD programs, mainly composed of about 150 autistic children. "These children are more expensive to educate because they require a smaller teacher-student ratio," said Montgomery.

Stumpf said the state will pay about \$1 billion for special education next year and some people are asking why the money isn't coming out of the health care budget. He said, "Prevention and early intervention can save money but we need some initiatives to provide services as close to birth as possible."

## Special ed bills heard

The E-12 Education Budget Division met Mon., Apr. 9, to hear a variety of education bills, including the governor's funding bill for the Department of Families, Children and Learning (CFL). All bills were laid over for possible inclusion in the omnibus bill. The only exceptions were S.F. 394, authored by Sen. Becky Lourey (DFL-Kerrick), a bill providing a capital loan for ISD 2580, East Central; S.F. 769, authored by Sen. Leonard Price (DFL-Woodbury), a bill providing a grant to ISD 6067, Tri-District; and S.F. 762, authored by Sen. Don Samuelson (DFL-Brainerd), a bill providing a cooperative facilities grant to Swanville and Upsala districts. All three bills, that were discussed in earlier education committees, were approved and referred to the full committee.

Sen. Martha Robertson (R-Minnetonka) authored S.F. 1156, a bill modifying and funding special education provisions. Robertson said, under the bill \$500,000 in FY 02 and FY 03 is appropriated for on-going development, administration, and interagency training costs associated with a statewide, web-based, application for an individual interagency intervention plan..

Lisa Nentil-Bloom, from Education Minnesota said Education Minnesota supports most of the provisions in the bill. She also said a special education committee was formed to address teacher workloads. "The trend in special education is toward a higher case load, therefore, attrition is higher than anywhere else in the education system, said Nentil-Bloom. "One disadvantage to the bill is that it will take a fair amount of time to resolve the workload issue."

Sen. Kenric Scheevel (R-Preston) said he would be more comfortable with the department coming to the Legislature for authorization rather than giving the authority to CFL. He said he doesn't want the Legislature to lose control over something that has significant fiscal implications.

Keith Kroner, of the State Directors of Special Education Association, opposed the bill. He said the bill provides further regulations and loss of local control. He said he doesn't feel the present 20 caseloads to 1 special education teacher ratio is out of line and he is concerned about the cost to districts. "At a time when we are trying to deregulate education at the state level, the bill seems to be at odds with that goal," Kroner said. He also said mandating caseloads would put school districts in jeopardy of non-compliance.

Sen. Ann Rest (DFL-New Hope) authored S.F. 2134, a bill removing the prohibition on rules pertaining to caseloads and requiring the CFL commissioner to establish a measurement relating to special education caseloads. Under the bill, every district must ensure that special education staff will be assigned caseloads that allow an appropriate level of service.

The measurement criteria includes educating students through direct and indirect instruction and access to effective education program for students with disabilities throughout the state. A reduction of the present system's inequalities and conflict is addressed under the bill by providing hearing procedures and reducing court actions related to the delivery of special education instruction and services for students with disabilities.

Additionally, measurement criteria address clear expectations for service providers and students, and increased accountability for all individuals and agencies that provide instruction and other services to special education students. Other criteria measurements include providing a greater focus for the state and local resources dedicated to educating students with disabilities and providing clearer standards for evaluating the effectiveness of education and support services.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 940, a bill appropriating \$1.5 million for grants to school districts for pilot programs relating to integrated service models for children's mental health. Under the bill, up to three pilot programs are funded. The bill specifies that the programs must be collaborative efforts with the county and one or more school districts. Pappas said at least one of the programs must involve one or more metropolitan counties. She indicated that either a part of a county or a whole county is acceptable under the bill.

Sen. Julie Sabo (DFL-Mpls.), chair of the children's mental health workgroup, said the bill is in response to the neglect of children's mental health issues that result in increased costs in K-12, health care and mental health services. The bill, she said, is also a response to an increased number of children in the juvenile justice system, in out-of-home placements, and attempting suicide. She said the concerns were acknowledged by the passage of the Children's Mental Health Act of 1989, which established a unified, accountable, and comprehensive system. However, she said, "Twelve years later, this mission remains unfulfilled due to a lack of funding."

Sabo said the workgroup recommends support for S.F. 940, which is comprised of elements from three bills. She said the bill provides grant money for pilot programs in school districts for integrated service models for children's mental health. The committee also urges support for the Mental Health Act of 2001 which is encompassed in S.F. 754, authored by Sen. Linda Berglin (DFL-Mpls.). The workgroup also supports an amendment requiring a study and report to the Legislature on the children's mental health system.

S.F. 66, authored by Sen. Charles Wiger (DFL-North St. Paul), appropriates \$5 million in FY 02 and FY 03 to increase the number of counselors to students. He said the counselor to student ratios in the state are 1 to 250 in grades 9 through 12, 1 to 350 in grades 7 and 8, and 1 to 450 in grades K-6. Wiger said, "The bill seeks to change one significant fact—we rate 49 out of 50 states in counselor to pupil ratio."

Sen. Jane Ranum (DFL-Mpls.) authored S.F. 943, a bill appropriating \$350,000 to establish a board of education leadership to license supervisory personnel. Roger Aronson, from the Minnesota Association of Secondary School Principals, said there is only \$56,400 in increased funding because a licensure fee increase covers the costs of establishing the board.

### **Accountability proposals discussed**

Two systems for the ongoing evaluation and analysis of school performance were considered at the Tues., Apr. 10, meeting of the E-12 Education Budget Division. Measurement factors, analysis of trends, accessibility of data, and costs were key components of both systems.

Jessie Montano, from the Department of Children, Families and Learning, gave an overview of an upgraded web-based resource for data on schools. She said the system, called Connecting Learning and Accountability for Students and Schools (CLASS), serves a key purpose of the governor's accountability model for schools by giving decision makers access to information that can guide continuous improvement.

Montano said CLASS provides the department's data on schools, standards, test scores, demographics and the like in a user-friendly, highly flexible format. Teachers, administrators, board members, school teams and parents will all be able to access the data, she said, and work with it to make useful comparisons and analysis. In addition, Montano continued, the website provides ready access to information on subject-area best practices, the department's continuous improvement model, and other resources.

Ken Hasselbaum, from the department, said CLASS will replace the department's current continuous improvement website, which is not very user-friendly, by September of this year. He said initial development costs for CLASS were funded with federal dollars and the annual maintenance of the site will cost the state \$200,000

As an alternative or complementary option for the evaluation of the financial and academic performance of school districts, Sen. David Knutson (R-Burnsville) presented S.F. 355. The bill directs the Department of Children, Families and Learning to contract with an independent evaluation services provider to design and implement a comprehensive system for ongoing synthesis and reporting of trends in school data.

William Cox of Standard & Poor's (S&P), one such provider, described the company's credentials, reputation, and capabilities for independent analysis. He said S&P's educational evaluation methodology, developed for and currently being used in Michigan and Pennsylvania, provides greater transparency, third-party objectivity, and thorough synthesis of results as related to a variety of contexts. He presented a specific outline of the details of the S&P system and highlighted examples of the kind of compilations and descriptions that are provided. He said the S&P system "helps districts avoid being data rich and information poor."

Sen. Ann Rest (DFL-New Hope) asked if regression analysis is used within the system to evaluate individual programs or identify the impact of very specific funding decisions. Cox said the S&P system accounts for 1,500 contextual factors in six core categories, but does not include regression analysis per se in the basic package. He said that, in terms of minimum necessary funding or the incremental effects of increases or decreases in spending, S&P's research gives people better tools to make decisions but provides no easy answers.

Sen. Becky Lourey (DFL-Kerrick) asked if the system includes any qualitative information, such as anecdotal evidence of reasons for certain trends. Cox said the reports S&P presents are completely free of judgments or qualitative input, and added that the real value of his company's methods and analysis is that it is non-partial, non-political, consistent, and objective.

Sen. Jane Krentz (DFL-May Township) asked how long it takes to have the system in place and how much it costs annually. Cox said that the system is implemented based on the data the state already collects, so the startup time is reasonable, usually taking about one year to arrive at the first report. He said the two states currently contracting for the service pay approximately \$2.5 million a year.

The final party to give input on school performance measures was the Office of Educational Accountability at the University of Minnesota. Amy Anderson from the office said the proposals for implementing an accountability system need to be thoroughly examined in light of what the overall goal is, what the recognized standards are, what the consequences of the system are, and who will do the analysis. She said it is important that data be managed and synthesized in ways that make it easy for people get specific answers to queries and to track trends over time. The strengths of the organization making the proposals and the compatibility of the proposed system with existing efforts are also important, she said.

The committee also considered a number of appropriations bills related to specific education needs and programs throughout the state, but took no formal action.

Sen. Julie Sabo (DFL-Mpls.) presented three bills. S.F. 512 brings contract alternative schools into the same funding

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streams as charter schools. Brad Englund of the Minnesota Federation of Alternative Schools said contract alternative schools partner with districts to more capably serve students with unique needs. He added that the schools' administrators believe they are not funded fairly, especially related to funding that is available for charter schools.

Sabo also presented S.F. 1647, a bill that appropriates \$3.5 million as a grant to the Minnesota Valley Academy for a residential academy at Fort Snelling. Sabo said money was originally approved in 1998 as a grant to serve homeless students and added that the bill comprises the next phase of the program. John Cunningham, from the Minnesota Valley Academy, said the funds will be used for capital expenditures related to the refurbishing of the facilities involved, with matching funds to be raised for operational costs.

The final bill presented by Sabo was S.F. 749. The bill appropriates \$500,000 for the biennium to the Minnesota Learning Resource Center, a statewide program that trains teachers in three new approaches based on research in brain development. Sabo said the program, which is especially effective in dealing with certain learning disabilities, will be expanded to a number of additional sites with the new funding.

A bill that repeals referendum allowance limits in school funding was presented by Sen. Edward Oliver (R-Deephaven). He said S.F. 1220 removes the caps to help meet school funding needs, to allow boards and citizens to make their own decisions about spending, and to follow a private sector trend toward the preeminence of local authority.

Sen. Arlene Lesewski (R-Marshall) presented S.F. 418, a bill that makes a grant for administrative expenses for cooperative planning of school facilities for six districts in Lincoln County. A superintendent from the county said population decline makes the planning necessary, but cooperation has been difficult to achieve in the past.

S.F. 2076, authored by Sen. Mady Reiter (R-Shoreview), appropriates \$224,000 to continue and expand a pilot project at elementary schools in the Mounds View district. Jan Vesjas, a teacher currently involved in the pilot, said the program uses key additional staff and a parallel block scheduling model to reduce class size.

The last bill before the committee addresses youth outreach in the Meadowbrook Collaborative Housing Project. Presented by Sen. Steve Kelley (DFL-Hopkins), S.F. 636 grants \$50,000 for educational recreational outreach for at-risk children in the neighborhood. Bridget Gothberg of the city of St. Louis Park said the troubled housing project is making strides based on coordinated efforts by the police, community leaders, and schools.

## Higher Education Budget Division

### Shortages addressed

Sen. Deanna Wiener (DFL-Eagan), chair of the Higher Education Budget Division, convened the group Mon., Apr. 9, to address the role of higher education in solving the pressing workforce shortages of nurses and teachers.

A bill, sponsored by Sen. Dean Johnson (DFL-Willmar), supports the efforts of three nursing programs that make thorough efforts to recruit and retain underrepresented and economically disadvantaged students. As outlined in the bill, the Higher Education Services Offices (HESO) selects three schools based on their commitment to the education of underrepresented and economically disadvantaged students and bill financially supports their recruitment and retention programs with grants of up to \$30,000 per year.

Sen. Lawrence Pogemiller (DFL-Mpls.) asked why the bill provides schools with administrative money, when they will make more money by recruiting students. Sue Stout from the Minnesota Nurses Association said all colleges currently benefit from their own recruitment programs, however they need an additional incentive to go the greater distance in reaching out to underrepresented populations and financially disadvantaged students.

Sen. Steve Kelley (DFL-Hopkins) asked if HESO needed to review the selection of schools annually, as required by the bill. He said shifting funding yearly might not give schools enough time to create well-established programs. Johnson said that the programs would be more effective if the funding is reviewed biannually. The committee amended the bill to lengthen the time programs are funded to two years.

The committee recommended passage for the bill, S.F. 580 and advanced the measure to the Education Committee.

A recent survey found that 60 percent of Minnesota schools have a shortage of teachers, said Jan Alswager from Education Minnesota, who testified in support of S.F. 670. The bill, sponsored by Sen. Grace Schwab (R-Albert Lea), establishes an educational loan forgiveness programs for math, science, industrial technology and special education teachers.

The bill specifies that individuals who teach in rural areas earn \$3,000 toward their school loans after the first year, \$5,000 after the second year and \$7,000 after the third year. Teachers in metropolitan areas who qualify for the program earn \$1,000 toward their college loans after the first year of teaching, \$3,000 after the second year and \$5,000 after the third year.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) said that the teacher shortage is partially due to teachers who quit teaching early in their careers and the bill only encourages them to teach for three years before quitting. Alswager said high health insurance premiums and the declining state of public schools are among the reasons teachers often quit, but pay is still the greatest concern. She said the bill does not solve the whole teacher shortage problem but does take a step toward retaining teachers. The committee laid the bill over for further discussion.

The committee also laid over two bills that fund regional higher education programs. S.F. 1920, sponsored by Sen. Roger Moe (DFL-Erskine), gives \$694,000 to the Northwest Technical Programs on the Red Lake, Leech Lake and White Earth Indian Reservations. Bobby Whitefeather, tribal chair of the Red Lake Indian Reservation, said the money invested in the program is returned through an educated workforce that will boost the economy.

S.F. 753, sponsored by Sen. David Tomassoni (DFL-Chisholm), appropriates \$400,000 to the Arrowhead University Center. Joe Sertich, president of the Northeast Higher Education District, described the center as a university without walls and said the center encompasses programs throughout several campuses. He said that 500 people had graduated from through the center, although the school had not had a funding increase since 1989.

## Environment and Natural Resources

### Shoreland, forestry bills heard

The Environment and Natural Resources Committee, chaired by Sen. Jane Krentz (DFL-May Township), considered a variety of environmental protection measures Thurs., Apr. 5. Sen. Jim Vickerman (DFL-Tracy) carried S.F. 1045, a bill regulating disposal of the ash remaining after a fire department burns down a building in a training exercise. Current statute classifies the ash as hazardous waste, said John Ikeda of the Pollution Control Agency. He said the high cost of disposal makes it difficult for departments to conduct training. Under the bill, the ash may be deposited in any permit-by-rule land disposal facility. The bill was approved and advanced to the floor.

S.F. 1257, authored by Sen. Deanna Wiener (DFL-Eagan), creates a program to protect lake and river shoreland. The bill makes \$5 million available for conservation easements or cost-share grants to landowners to cover 75 percent of the cost of shoreland restoration. A special focus on shoreland is necessary, according to Whitney Clark, executive director of Friends of the Mississippi River, since existing easement programs primarily target agricultural land. "The loss and degradation of shoreland is taking its toll on water quality and wildlife habitat," he said. The bill was re-referred to the Committee on Finance.

Krentz carried a measure promoting environmentally responsible purchasing practices among state agencies. The bill, S.F. 1963, extends guidelines promoting the use of recycled and durable products from the Dept. of Administration to all state agencies. The bill contains no mandates, Krentz said, but requires state agencies to set sustainable purchase policies for products including paper, building products, cleaning products, and motor vehicles. Sen. Charles Berg (R-Chokio) moved to delete a section requiring that, by 2005, all computers must be purchased from vendors who agree to take back the computers for recycling of the heavy metals they contain. Members adopted the motion and added computers to the general list of products for which sustainable policies must be developed.

Kent Allen, Dept. of Administration, said the agency has been recognized for its

leadership in the responsible use of products. He objected to a requirement that the agency provide a progress report, and members deleted the section containing that requirement. The bill, as amended, was re-referred to the State and Local Government Operations Committee.

Members also heard S.F. 1405, authored by Sen. Dean Johnson (DFL-Willmar), which establishes the Minnesota River State Trail. Geoff Hathaway of Montevideo said the trail will connect Big Stone Lake State Park in the west to Fort Snelling in the east. Dennis Assmussen, DNR, agreed that the plan is a sound concept. The bill was approved and sent to the Finance Committee.

Sen. David Tomassoni (DFL-Chisholm) presented S.F. 1387, the DNR forestry bill. To address concerns raised at the previous hearing, he offered an amendment clarifying provisions regarding the harvesting of boughs. The amendment also creates three accounts for state taconite lease payments. A portion of the proceeds continues to go to school and university trust fund accounts, but certain payments are earmarked for an account that will be used to provide grants to taconite mining companies for product and cost-savings improvements. By helping taconite mines stay in business, Tomassoni said, the state will ensure that lease money continues to enter the school and university trust fund accounts. The measure was approved and re-referred to the Education Committee.

Finally, members heard S.F. 1383, authored by Sen. Steve Murphy (DFL-Red Wing). The bill modifies provisions related to petroleum tank release cleanup. Jim Pearson, executive director of the Petrofund, said the bill adopts a uniform 90 percent reimbursement rate for all types of cleanup. The bill was advanced to the Finance Committee.

### Con-Con lands bill advanced

A bill resolving the status of consolidated conservation (Con-Con) lands generated considerable controversy at the Tues., Apr. 10, meeting of the Environment and Natural Resources Committee. Members also acted on seven other bills in the last meeting before the second committee deadline. Committee Chair Jane Krentz (DFL-May Township) presided.

S.F. 2125, authored by Sen. Roger Moe (DFL-Erskine), designates 102,315 acres of land in Roseau, Beltrami and

Marshall Counties as wildlife management areas (WMAs). Although the designation increases payment-in-lieu-of-tax (PILT) to counties, Moe said, there is considerable public resistance to restrictions on recreational use of the WMAs. Moe suggested, and the committee adopted, an amendment addressing the concerns. Dept. of Natural Resources (DNR) Deputy Commissioner Steve Morse explained that the amendment requires the DNR to work with county representatives to identify corridors along which all-terrain vehicles (ATVs) may be used. In addition, the amendment allows ATV use on all of the land during the deer hunting season. Morse added that timber harvest is still allowed on WMA land.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said residents of the affected counties strongly oppose the bill. Citizens want the acreage open for general recreational use, including horseback riding and use of ATVs for hunting, he said. Sen. Bob Lessard (IND-Int'l. Falls) and Sen. Dan Stevens (R-Mora) agreed that citizen input is a key factor in resolving the dispute. Members adopted two amendments offered by Stumpf. The first provides that the county working group may consider general access issues and forward recommendations to the DNR. The second provides that the county board, rather than the DNR commissioner, choose the representative of ATV users to be in the working group.

Morse said the bill reduces the portion of lottery in-lieu-of-tax proceeds earmarked for natural resources programs from 87 to 86 percent, in order to provide more general fund money for PILT payments. Sen. Dennis Frederickson (R-New Ulm) offered an amendment changing the percentage back to 87, since the committee earlier approved a bill that sends a full 100 percent of lottery in-lieu-of-tax to natural resources. The amendment was adopted. Representatives of the Fourtown/Grygla Sports Club testified against the bill, saying a restriction to only foot access is not viable for the land. Several conservation organizations spoke in support of the bill. The bill was approved and sent to the Finance Committee.

Other bills considered by the committee include S.F. 1832, authored by Sen. Linda Higgins (DFL-Mpls.). The bill provides grants to support nonprofit organizations in assessing brownfields for redevelopment. Members adopted an

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amendment, offered by Higgins, to cut the appropriation to \$188,000 per year. The committee also adopted an amendment, offered by Frederickson, making nonprofit organizations responsible for at least 10 percent of the assessment cost. Michael Welch of the Minnesota Environmental Initiative said the program has let organizations such as Habitat for Humanity make use of land in areas that need the organization's services. The bill was advanced to the Finance Committee.

Sen. Charles Wiger (DFL-North St. Paul) presented S.F. 1356, a bill creating a \$200,000 revolving loan account, administered by the Office of Environmental Assistance, to provide environmental assistance grants to businesses. Improvement in recycling and toxic chemical disposal has reached a plateau recently, Wiger said, and the bill provides an incentive for industry to prevent pollution.

The bill was sent to the Finance Committee with a recommendation to pass.

S.F. 1293, carried by Sen. David Tomassoni (DFL-Chisholm), incorporates a riding component into the ATV safety education program. Members adopted an amendment specifying that before operating a machine with an engine capacity greater than 90cc, youth between the ages of 12 and 16 be required to demonstrate the ability to control the machine. The bill was approved and sent to the Finance Committee.

Sen. Steve Dille (R-Dassel) carried H.F. 208, a resolution expressing support for improvements of locks on the Upper Mississippi River System. The resolution also recognizes the need for ecosystem restoration along the river. Dille said water transportation is much more fuel efficient than truck or train transportation, and water transportation improvements will also help the agriculture industry maintain a competitive advantage. Rick Moore, representing the Izaak Walton League, said water transportation has a detrimental effect on the river ecosystem. He also said an Army Corps of Engineers study on the feasibility of expanding existing locks has been extensively criticized. The bill was advanced to the floor.

Sen. Edward Oliver (R-Deephaven) presented S.F. 850. The bill appropriates funds to help the city of Eden Prairie purchase land containing the Birch Island Woods from Hennepin County. Oliver

explained that Hennepin County wants to sell the land and has given Eden Prairie the first chance to buy. The city wants to buy the land, he said, but lacks the funds to do so and is afraid it will be sold to a developer. Jeff Strate of Eden Prairie said the park is a rare indigenous plant area that contains trails, historic sites and a camp for children with disabilities. Sen. Linda Higgins (DFL-Mpls.) objected to the state getting involved in business between local units of government. The bill was sent to the State and Local Government Operations Committee with no recommendation.

S.F. 419, authored by Sen. Arlene Lesewski (R-Marshall), states that the DNR may not abandon the diversion system on Currant Lake in Southwestern Minnesota. Lesewski said the lake is one of the few natural lakes in the area and provides invaluable recreational opportunities to local residents. Removing the diversion is likely to make the lake dry up, she said. Ken Varland, DNR, said the diversion interferes with natural high and low water patterns. It also leads to poor water quality in the lake and increased shore erosion, he said. Members adopted an amendment, offered by Lesewski, to delete a provision requiring the DNR to maintain the water level above 82.25 feet. The bill was approved and sent to the Finance Committee.

Finally, members heard S.F. 2119, carried by Sen. Michelle Fischbach (R-Paynesville). The bill modifies restrictions on watershed borrowing, exempting projects secured by special assessments from the loan maximum. Stevens offered an amendment raising the maximum loan total from \$200,000 to \$300,000 to allow for inflation over the 20 years since the limit was set. The amendment was adopted and the bill was sent to the floor.

## Environment and Agriculture Budget Division

### Environmental ed funding heard

The Environment and Agriculture Budget Division heard seven bills Thurs., Apr. 5, including measures supporting environmental education centers and agricultural museums. All of the bills were set aside to be considered for inclusion in the omnibus spending bill. Committee Chair Leonard Price (DFL-Woodbury) presided.

S.F. 1160, carried by Sen. Becky Lourey (DFL-Kerrick), appropriates \$3 million to be divided evenly among the Wolf Ridge Environmental Learning Center, the Audubon Center of the Northwoods, and the Eagle Bluff Environmental Learning Center. Lourey explained that the centers should have received state funding under a bill passed in 1994, but a subsequent dispute with the Dept. of Finance not only led to a loss of state funding, but also compromised campaigns to win private support. The bill allows the centers to retire debt incurred after the budget difficulties, she said.

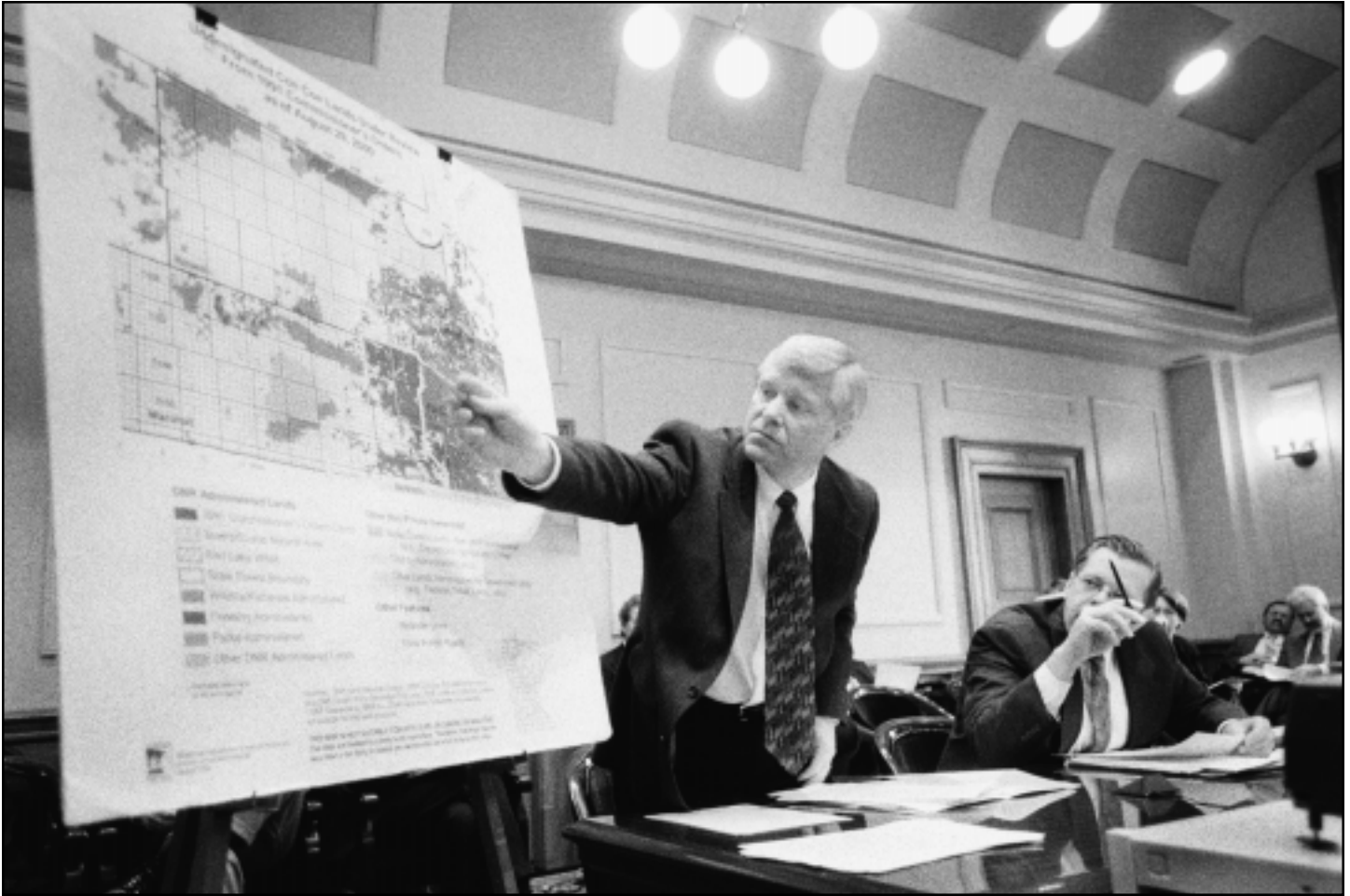
Sen. David Tomassoni (DFL-Chisholm) carried a bill to support the Laurentian Environmental Learning Center, which is located in the Superior National Forest and operated by the Mounds View School District. The bill, S.F. 1037, appropriates \$250,000 to upgrade staff housing facilities and purchase vans for student transportation. Sue Hankner, speaking for the center, said a proposed highway relocation necessitates the relocation of one of the center's programs.

The division heard two bills funding agricultural museums. S.F. 1526, carried by Sen. Arlene Lesewski (R-Marshall), appropriates \$1.5 million for the Prairie Farm Preservation Education and Exhibit Center, to be located at the entrance to Stonehill Regional Park in Southwestern Minnesota. John Meyer, representing the center, said it will educate visitors on the unique farming history of the prairie, with exhibits including a museum of agricultural equipment. He added that the center, once built, will support itself with revenue from a campground.

S.F. 1625, authored by Sen. Dick Day (R-Owatonna), appropriates \$225,000 in a capital improvements grant to Farmamerica, Minnesota's Agricultural Interpretive Center, located in Waseca. The money will be spent on materials for facilities restoration and program development, Day said, while volunteers will do the work.

Other bills heard by the division include S.F. 1850, carried by Sen. Michele Bachmann (R-Stillwater). The bill allocates \$1.7 million to the stream protection and improvement loan program. Klayton Eckless, city engineer for Stillwater, said the city hopes to use the money to develop trout fishing opportunities.





*Sen. Roger Moe (DFL-Erskine) points to an area of a map depicting Consolidated Conservation Lands as DNR Deputy Commissioner (and former Sen.) Steve Morse looks on during a meeting of the Environment and Natural Resources Committee Tues., Apr. 10.*

Photo by David J. Oakes

Lourey carried S.F. 1735, a bill appropriating \$575,000 in FY 2002 and \$800,000 in FY 2003 to the FarmConnect organization. "This appropriation is going to fill the gap between farmers and their markets," Lourey said. Warroad farmer Art Brandli, who chairs FarmConnect, said the organization allows farmers to band together and supply value-added products directly to processors. The organization plans to become self-sufficient over a five-year time frame, he added.

Finally, the division heard S.F. 894, authored by Sen. Steve Kelley (DFL-Hopkins). The bill appropriates \$100,000 for a grant to the Westwood Hills Nature Center in St. Louis Park. The money will be used to construct an accessible boardwalk through the interpretive center, said Cindy Walsh, director of parks for the city. "This is a gem in our community, and making it more accessible for people is a good step forward," Kelley said.

## Health and Family Security

### No-fault insurance discussed

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Mon., Apr. 9, to consider nine bills and to confirm nominees to the Emergency Medical Services Regulatory Board.

Sams authored S.F. 1081, a bill that requires a health care provider to affirmatively consent to participation in a new category of coverage that is different from the provider's current categories of coverage, before changes can be implemented. Under the bill, insurers may not change the contracted plan of services provided unless health care providers give written consent.

Under the bill, any amendment or change in the terms of an existing contract, including financial reimbursement, between a network organization and a

health care provider must be clearly discernable.

An amendment was adopted to create a moratorium on new managed care automobile insurance plans. The bill specifies that health plan companies or automobile insurance companies may not sign any new no-fault automobile insurance managed care contracts with a health care provider between Jan. 1, 2001 and June 30, 2002.

A provision in the amendment requires disclosure by the insurer to the insured, upon notice of an automobile injury claim report, stating that the insured has the option of receiving medical care for injuries received in an automobile accident, from any licensed provider or health care facility and is not required to seek medical care through a case management program or from a designated network of providers, hospitals or clinics. The insurer must also inform the insured

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that if the insured receives care through a case management program or a designated provider network, medical care may be restricted in terms of the type, duration, or frequency of care provided. Further, the bill specifies that the insured may also be required to seek pre-authorization before medical care is reimbursed by the insurer. A second amendment was adopted to clarify that contracts must not alter financial reimbursement or contractual policies and procedures unless agreed to by the provider before the change is considered to be in effect. The bill was approved by the committee and advanced to the floor.

Sams also carried S.F. 1836, a measure establishing a medication management pilot program for Medical Assistance recipients in order to help patients use medications safely and effectively. The bill establishes a ten-member medication therapy management advisory committee to advise the commissioner in the implementation and administration of the program.

Representing the Minnesota Pharmacist Association, Brian Isetts said that \$177 billion is being spent nationwide in an attempt to “fix the bad things that happen with problems related to taking medications.” The panel approved the bill and re-referred it to the State and Local Government Operations Committee.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 1399, a measure to revise numerous provisions to improve access to home and community-based options for individuals with disabilities. The bill also includes modifications for providing consumer control and creates a consumer-directed home care demonstration project. Kiscaden said that the consumer support grants portion of the bill is intended to provide enhanced funding by increasing hardship waivers.

The provision specifies that for new individuals who have no expenditures in their program of origination, the statewide average expenditures of Medical Assistance recipients utilizing those services during the most recent state fiscal year will be used to determine the amount of the grant award. The provision limits the consumer support grant program to 200 individuals.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment that was adopted to delete the language that caps the consumer support grant program to 200 individuals,

including the portion that determines awards based on utilization. Lourey’s amendment bases eligibility on the number of authorized applicants as determined by counties.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment to make grants of up to \$300,000 to nonprofit corporations to continue a pilot project that provides information and support to individuals with traumatic brain injuries. The panel voted to accept the amendment.

Sen. John Hottinger (DFL-Mankato) offered an amendment, which was adopted, to change effective dates in the bill from FY 2003, as proposed by the administration, to FY 2001 in order to provide programs and services as soon as possible.

Sen. Dan Stevens (R-Mora) also offered an amendment. The committee adopted the proposal to specify under the home health services provisions, that up to two skilled nurse service visits or two home health aide visits, but not more than three total, are allowed per day.

Members approved the bill and re-referred it to the Finance Committee.

Lourey presented S.F. 1891 on behalf of Sen. Sam Solon (DFL-Duluth). The measure provides special rate treatment for a nursing facility in St. Louis County that owns and operates a laundry facility. Under the bill, the employee hours devoted to doing laundry for the nursing facility are treated as compensation costs for purposes of nursing facility reimbursement. Lourey said there is a zero fiscal note, but that if there is a COLA increase, a fiscal note will be required. The bill was approved and sent to the floor.

A bill to modify licensure requirements for an applicant who is applying for a social worker license, who is foreign born, and for whom English is a second language, was offered by Sen. Pat Pariseau (R-Farmington). She said the measure addresses the high failure rate within the immigrant community on the social work licensure examination. She said there is a special need for social workers from the Southeast Asian communities.

The bill exempts eligible applicants from the examination requirement and specifies alternative requirements that must be met. An amendment was adopted to further clarify application and examination procedures and to commission a study to determine the extent to which the social work licensure examination failure rate for

foreign-born applicants differs from other populations. The study will analyze causal factors for the testing discrepancies.

Pariseau said the measure was a temporary quick fix to address the shortage of social workers in Asian communities. Members approved the bill and advanced it to the floor.

Higgins presented S.F. 1594, a bill to establish a two-year pilot project to provide higher payment rates to nursing facilities that treat ten or more persons with multiple sclerosis. Higgins said there are 676 individuals with multiple sclerosis in nursing facilities, including 359 who are under the age of 65. She said the pilot project recognizes that the younger population has very different needs from older populations. Under the bill, the Dept. of Human Services (DHS) must negotiate a payment rate with eligible facilities not to exceed 150 percent of the case mix class K payment rate for the facility. Members voted to delete the private pay portion of the bill.

Sen. Twyla Ring (DFL-North Branch) questioned the need for another pilot project. She said the panel needs to address the across the board rate increase needed in order to maintain compensation for staff.

The panel approved the bill and re-referred it to the Finance Committee.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 963, a measure to expand the consumer support program for persons with disabilities who receive grants to purchase their own services. The bill prohibits a reduction in the spending forecast for the waiver program for persons with mental retardation if there is a waiting list for waived services. A provision also requires DHS to give persons with mental retardation a choice between county and private case management services. An amendment was adopted to specify contract notifications from the commissioner to counties. Another amendment was adopted to make the fiscal note neutral and to clarify language. The bill was approved and re-referred to the Finance Committee.

Sen. Deanna Wiener (DFL-Eagan) presented S.F. 1443. The measure provides that pools located at a family day care center are not public pools and are therefore exempt from health department rules. A provision specifies requirements that must be met before day care providers can allow children to use the pool.

DHS spokesman Jerry Kerber said he did not support the bill. He said he disapproved of the portion of the bill that moves the authority to monitor pool mandates from the Dept. of Health to DHS. He said DHS does not have the expertise for monitoring and he was also concerned about potential liability for damages related to non-compliance. The bill was laid over.

Stevens presented S.F. 2197, a measure requiring the commissioner of human services to identify nonfinancial barriers to provider enrollment and provider retention in the state health care programs. The bill specifies areas to be examined and authorizes procedures to address determined barriers. Stevens said there was no fiscal cost associated with the proposal. The bill was approved and advanced to the floor.

The committee confirmed all submitted nominations to the Emergency Medical Services Regulatory Board. The newly approved board members are John Baerg, Teresa Gisch, Michael Guthrie, Daniel Hankins, Jeffrey Schiff and Bruce Sherman.

## Health, Human Services and Corrections Budget Division

### Troubled youth addressed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Thurs., Apr. 5, to consider six bills.

Sen. Jane Ranum (DFL-Mpls.) presented S.F. 878, a measure to appropriate money for mental health services for emotionally disturbed children and adolescents who display violent behavior. Dept. of Human Services (DHS) Children's Mental Health Division Director Glenace Edwal said that since 1993, DHS in cooperation with the Dept. of Corrections (DOC), began administering a grant program to provide mental health screening, assessment and treatment services for children involved in the juvenile court system. The goal was to identify and treat underlying emotional problems to reduce recidivism and maintain family stability, she said.

Two mothers, Venessa Warren and Cathy Gritz, testified in favor of the bill. In both cases, the mothers said that their children were demonstrating dangerously

violent and emotionally unstable behaviors. Efforts to help the children were ineffective, they said, until they were referred to therapists through the adolescent services grant (ASG) program.

Warren and Gritz attested to the success of a method called multi-systemic therapy (MST), an integrative family-based treatment that results in positive outcomes for adolescents who have serious antisocial behavior. The interventions focus on the individual youth and his or her family, peer group, school performance and community supports.

According to Edwal, recidivism rates declined dramatically following screening and treatment through the grants programs. School attendance rates also improved and families reported greatly improved family functioning. Edwal said the 1995 Minnesota Legislature appropriated \$4.5 million for the community-based grant services for pre-adolescents and adolescents. In 1999, she said, the Legislature appropriated \$1.6 million for grants to develop new ASG grants in Greater Minnesota, as an expansion of the pilot program.

Ranum said she wished to appropriate at least \$1 million for continued maintenance and expansion of programming. Berglin suggested that the committee research the possibility of alternative funding mechanisms through established health programs for youth. The bill was laid over for further consideration.

Ranum also authored S.F. 619, a measure with numerous provisions related to domestic abuse crimes. The bill provides funding to supervise domestic abuse caseloads and establishes standards for domestic abuse counseling and educational programs. A release of information clause allows written documents from court-ordered counseling programs, concerning the offender, to be released to the court, other providers and the victim.

One provision enhances penalties for second or subsequent violence-related offenses. A grant program is established to fund state and local correctional agencies for supervising high risk domestic abuse offenders. Ranum said that this has been a banner year for cases of domestic violence in Minnesota. Violent domestic offenders are one-third less likely to reoffend once they've participated in intensive counseling and educational programming, she said. No action was taken on the bill.

Sen. Keith Langseth (DFL-Glyndon) presented S.F. 1630, a measure providing an exception to the nursing facility moratorium for a new 124-bed facility in Wilkin County. Langseth told the panel that the facility had sustained major flood damage and needed replacement. St. Francis Nursing Home President Dave Nelson said the replacement cost will total approximately \$7.5 million of which only \$3 million is covered by insurance. He said the facility is the only nursing home in the county and employs 150 people.

Berglin said the administration has no money allocated for moratorium projects. Health Dept. spokesperson Linda Sutherland said there is an exception in moratorium law for damages by natural causes, but she said she thought the deadline for applying for that funding had already passed. The bill was laid over for further consideration.

Sen. Leo Foley (DFL-Coon Rapids) authored S.F. 1341, a measure creating disclosure requirements for assisted living home care providers and housing with services establishments that provide special care units for persons with Alzheimer's disease or a related disorder. Foley said the bill was recommended by the Attorney General's Office. The attorney general is authorized to enforce the disclosure requirements when repeated or flagrant violations occur. Speaking for the Dept. of Health, Linda Sutherland said the bill asks the department to review the accuracy of the disclosures as part of the registration process for housing with services establishments. An amendment was adopted to specify that the department may conduct the surveys during an on-site visit to the establishment. The bill was approved and advanced to the floor.

Berglin presented S.F. 1723, a bill requiring DHS to ensure that services continue to be available to persons with developmental disabilities who were covered by social services supplemental grants prior to July 1, 2001. Berglin said the measure provides for facilities that are not up to the state's group residential housing standards and affects approximately 120 individuals in 11 counties. The bill was laid over.

Berglin also authored S.F. 1365. The initiative creates a health care endowment fund that takes a one-time transfer of \$150 million from the healthcare access fund. Under the bill, the principal of the fund must remain intact, except that the

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principal may be used to make expenditures from the fund for purposes specified in the bill, including grants to support the capacity of community clinics to serve low-income populations, grants to improve the care delivery infrastructure of rural health care facilities or to reduce the Minnesota Comprehensive Health Association assessments on health plan companies.

Berglin said the intention of the bill is to create a source of permanent funding for health care initiatives. A provision authorizes an appropriation of up to 5 percent of the average of fair market value of the fund for the preceding 12 months by the Legislature for programming. Berglin said that over time, a substantial amount of interest will accrue from which to fund additional programs. She said that \$7.5 million would be made available from the \$150 million principal. The bill prohibits the use of the fund to supplant traditional sources of funding for health care programs.

Minnesota Comprehensive Health Association (MCHA) President Lynn Gruber spoke in opposition to the bill. She said MCHA would lose funds because of limitations on where appropriations could be accessed from and \$15 million in workers compensation payments would be lost. Berglin said she had not intended to limit the programs and that she was open to ideas. Sen. Sheila Kiscaden (R-Rochester) said the bill reduces the opportunity to implement the provider tax repeal. No action was taken on the bill.

## Jobs, Housing and Community Development

### Drug screening bill tabled

The Jobs, Housing and Community Development Committee convened Fri., Apr. 6, and discussed giving employers the right to administer drug tests to employees at the workplace. Sen. Ellen Anderson (DFL-St. Paul) chaired the meeting.

Sen. Martha Robertson (R-Minnetonka) presented the on-site drug testing bill, S.F. 1201.

The bill, she said, allows employers to use accurate and easy-to-use on-site drug tests that give immediate results. When the results are negative, she said, employees will be allowed to go to work right away. Traditional drug tests, she said, take a day to two weeks to produce results, forcing

employees to miss out on work while waiting for the results. The bill specifies that if an on-site test finds evidence of drug use, a second test done at a lab must confirm the results before an employer can take disciplinary action against a worker.

Tom Anzelc, representing the Laborer's Union, said the bill was an effort to sell and market on-site testing devices in Minnesota and the measure ignored the rights of workers. He also said that the main proponents of the bill work for the drug testing industry and no employers were testifying in support of the bill.

"The bill does not change the safeguards of current drug testing laws," Robertson said. "The bill does not require employers to implement a new drug testing program if they currently don't have one. It does not require employers with existing drug testing programs to use on-site testing." She said the bill also does not reduce employer's obligations to bargain with unions over drug testing.

Kris Bolander, representing the International Union of Operating Engineers, said on-site drug testing invades worker's privacy. Prescription drugs, she said, interfere with the drug tests, causing workers to disclose private medical information in order to explain inaccurate positive results.

Jennifer Collins, manager of a drug testing laboratory in Minneapolis, said that on-site screenings are up to 99 percent accurate and, because of the mandatory confirmatory test, the disclosure of medical information is not necessary.

Robertson moved to have the bill laid on the table and the committee supported the motion.

Sen. Warren Limmer (R-Maple Grove) turned the committee's attention to the needs of Hassen Township. S.F. 2046 allows the township to establish an economic development authority. Jerry Morrison, Hassen Township administrator, said the recent census places the epicenter of Minnesota's population growth within the township. He also said Hassen Township is the only township in Hennepin County. Limmer said the bill grants the township the same right to an economic development authority as every city is given. Having an economic development authority allows the township to purchase and sell land for redevelopment purposes. The committee approved the measure and re-referred the bill to the Committee on Taxes.

Sen. Arlene Lesewski (DFL-Marshall) carried two bills that address departmental concerns. S.F. 1932, recommended by the Department of Economic Security, repeals the STRIDE, emergency jobs, community investment and hospitality host programs. Lesewski said the programs are obsolete and no longer receive funding. S.F. 2046, supported by the Workers' Compensation Advisory Council, makes technical changes relating to workers' compensation. Both bills were recommended to pass and sent to the floor.

## Judiciary

### Child support reform discussed

The Judiciary Subcommittee on Family Law met Thurs., Apr. 5, to hear proposals for the reform of child support laws. Sen. Linda Berglin (DFL-Mpls.) and Sen. Thomas Neuville (R-Northfield) are both carrying legislation on the issue. Sen. Leo Foley (DFL-Coon Rapids) chaired the meeting.

Berglin's bill, S.F. 1364, consolidates the recommendations of a task force convened by the Department of Human Services. The bill amends provisions for the determination of medical support and includes new criteria for "appropriate coverage." Regarding basic support payments, the bill establishes a minimum support formula for obligors at or below 150 percent of the federal poverty level. The bill also amends support formulas to take both parents' incomes into account and gives the human services commissioner the authority to determine an index to use in setting cost of living adjustments. The amount of time an obligor spends with the child(ren) is not taken into account, under the bill, in determining the level of support.

Neuville's bill, S.F. 1960, summarized for the subcommittee by the author from the other body, Rep. Steve Smith (R-Mound), contains many of the same provisions and adds provisions for the review of support orders, an accounting of obligee expenditures, and an allowance for the parenting time of obligors. The review provision requires a reexamination of all support orders within six months to consider changes that have taken place. The accounting provision allows courts, on the request of the obligor, to make the obligee provide a complete accounting of how support payments were spent. The parenting time provision discounts

obligors' ordered support for substantial parenting time or for an approximation of joint custody. "Substantial" is defined in the bill as providing care of the child between 10 and 45 percent of the time, whereas parenting time above 45 percent is said to "approximate joint physical custody."

The subcommittee devoted the bulk of the meeting to public testimony on the bills, most of which focused on the aspects of Neville's bill that are not included in Berglin's bill.

Randy Starr and Carlton Mattson, both obligors, said they support the accountability measured in Neville's bill. Mattson said he does not know where his support payments go because he finds that he still has to spend money to provide for the basic needs of his children. Barbara Wagner, fiancée of an obligor, said the parenting time adjustments are a good idea because the current system underestimates the expenses incurred by obligors when they spend time with their children.

On behalf of the American Academy of Matrimonial Lawyers, Mike Dittberner said there are major problems with all three of the key aspects of S.F. 1960. He said the mandatory six month review should be optional or it will overload the court system. Regarding the accountability provision, he said many expenses are difficult to differentiate and added that the provision will breed conflict between the parents. Finally, he said a 10 percent cutoff for a parenting time allowance is too low, especially when obligors have a much higher income than obligees.

Other testimony addressed aspects that are not included in either bill. Starr said that support and custody findings discriminate against men, especially by only ordering certain kinds of treatment or counseling for fathers and not mothers. Charles Gustafson, an obligor, and Warren Higgins, a marriage law advocate, both said that support orders represent an unconstitutional intrusion into the lives of parents. Charles Aldrich, a resident of Burnsville, suggested many reforms, including mandatory paternity testing, negation of orders when the obligee relocates, and a combination of medical care, child care, and basic support orders to avoid unmanageable burdens being placed on low income obligors.

Both bills were laid over and the subcommittee will take no formal action on them this session.

## Genetic testing bill reviewed

The use of genetic testing as a condition of employment is prohibited under a bill that was reviewed at the Mon., Apr. 9, meeting of the Judiciary Subcommittee on Data Privacy and Information Policy. S.F. 1721, authored by Sen. Ellen Anderson (DFL-St. Paul), prohibits employers from requiring a genetic test be taken as a condition of employment or as a basis for termination of employment.

Dr. Jeffery Kahn, Center for Bioethics, University of Minnesota, spoke in support of the measure. He said the bill is necessary to protect access to health insurance, prevent discrimination and to protect individual privacy. Anderson said the bill is needed in order for policy to catch up to the reality of there being more genetic information of all sorts available. She also said that even though the bill amends employment law, she thought the members of the subcommittee would have an interest in the subject matter.

Members, chaired by Sen. Don Betzold (DFL-Fridley), adopted an amendment that broadens the types of genetic information, such as the genetic tests results of relatives, that is prohibited from being used as a condition of employment. Sen. Sheila Kiscaden (R-Rochester) said a provision in the amendment defining protected genetic information as information about the occurrence of a disease or medical condition in a blood relative of a person is too broad. Kiscaden offered, and the subcommittee adopted, a motion to delete the language from the amendment. The amendment was adopted and the bill was advanced to the full committee.

Members also considered a variety of other bills at the hearing. S.F. 846, sponsored by Sen. Richard Cohen (DFL-St. Paul), authorizes the use of the criminal justice data communications network for determining if a civil commitment petition of a proposed patient as sexually psychopathic or sexually dangerous person should be filed. Cohen said the information is available from other sources, but using the data communications network, allows for more efficiency in gather the data. The measure was approved and advanced to the full Judiciary Committee.

Members also approved a bill, S.F. 2006, authored by Sen. Grace Schwab (R-Albert Lea), authorizing the commissioner of public safety to release copies of a modified accident records database.

Schwab said the accident records are used by a company to provide vehicle histories to consumers, automobile dealerships, financial institutions, the federal government and state governments use the service to obtain information about particular vehicles.

Much of the discussion on the measure centered on a provision allowing the commission to include the vehicle license plate number if a private agency certifies and agrees that the agency is in the business of collecting accident and damage information on vehicles and will use the vehicle license plate number only for the purpose of identifying vehicles that have been involved in accidents and not for the purpose of identifying individuals. Members adopted an amendment further specifying that the private agency is subject to the penalties and remedies found under the general data privacy statute.

S.F. 1937, carried by Sen. Satveer Chaudhary (DFL-Fridley), is a Dept. of Corrections housekeeping measure that was before the panel because of a provision requiring the department to establish a health care peer review committee. According to Deputy Commissioner Dennis Benson, the peer review committee would be responsible for gathering, reviewing and evaluating information relating to the quality of health care and treatment of offenders both onsite within the system and offsite at local hospitals. The measure was approved and advanced to the full committee.

The last bill considered by the subcommittee for the session was a DWI bill, S.F. 1208. The bill, sponsored by Sen. Leo Foley (DFL-Fridley), contains numerous changes to the DWI statutes, but was before the subcommittee because of a provision requiring a health care professionals to report, when asked by a peace officer during the course of treating a person for injuries from an accident, any indications of alcohol or controlled substance use by the patient. The panel expressed concern that an individual being treated would need to be advised that information was being gathered and that the bill places health care professionals in the position of acting as law enforcement officials. Sen. Warren Limmer (R-Maple Grove) offered an amendment deleting the section of the bill. The amendment was adopted and the bill was forwarded to the full committee.

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## DOC bill discussed

At a morning meeting Tues., Apr. 10, the Judiciary Committee took up several bills considered the evening before by the Subcommittee on Data Practices and Information Policy. The meeting was chaired by Sen. John Marty (DFL-Roseville).

Members focused on peer review provisions in S.F. 1937, authored by Sen. Satveer Chaudhary (DFL-Fridley). The bill, a housekeeping measure for the Department of Corrections, creates a peer review committee for health care providers who serve inmate populations. Sen. Leo Foley (DFL-Coon Rapids) offered an amendment allowing the corrections ombudsman to have access to the peer review reports. Sen. Sheila Kiscaden (R-Rochester) said that the ombudsman is already allowed independent access to information for investigations. She said the Foley amendment defeats the purpose of the peer review process, which is to allow health care professionals to freely address improvements in the quality of care. The Foley amendment was defeated.

David Feinwachs of the Department of Health said that, in the private sector, the Department of Health acts to access health care information and investigate complaints on behalf of the public. A representative of the Minnesota Trial Lawyers Association said the system is flawed because important information invariably is left out of the patient's medical record and can not be subpoenaed. Chaudhary said that, according to the existing peer review statutes, documents, records, and persons involved in peer review are accessible to the department's investigations. Sen. Jane Ranum (DFL-Mpls.) offered an amendment to give the department the same oversight of health care provided by correctional medical services. The amendment was adopted. The bill was approved as amended and sent to the floor.

S.F. 2006, authored by Sen. Grace Schwab (R-Albert Lea), had also been discussed by the subcommittee. Sen. Leo Foley (DFL-Coon Rapids) renewed discussion of a provision that allows the Department of Public Safety to release vehicle identification numbers and license plate numbers from accident reports. Schwab said the bill's intent is to allow the information only to be used in compiling consumer information on used cars. Foley said the bill violates privacy and offered

an amendment deleting the department's discretion to release the numbers. Kiscaden said conditions and penalties had been added to the bill by the subcommittee to adequately ensure that no personal information is included in information released by the department. Sen. Warren Limmer (R-Maple Grove) offered an amendment with additional language clarifying that the information may only be used for the purpose stated. Foley withdrew his amendment. The Limmer amendment was adopted and the bill was approved as amended and advanced to the full Senate.

Two bills referred by the subcommittee were advanced without further changes. S.F. 1721, authored by Sen. Ellen Anderson (DFL-St. Paul), prohibits employers from using genetic testing or information as a term or condition of employment. A bill by Foley, S.F. 1208, amends provisions related to DWI enforcement.

A bill making changes that affect the prosecution of certain crimes raised several questions from committee members. Foley's bill, S.F. 1334, requires submission of DNA evidence for fifth degree criminal sexual conduct felonies, clarifies laws pertaining to fleeing a police officer or aiding an offender, and amends the rules of evidence in domestic abuse cases to allow consideration of acts that happened after the charge was filed.

Sen. Don Betzold (DFL-Fridley) said the provision changing the rules of evidence violates the rights of people charged with the crime and raises a constitutional issue regarding the Legislature's place in determining rules of evidence. Sen. Myron Orfield (DFL-Mpls.) agreed that the judiciary should be free to promulgate rules without legislative influence and asked whether legislative changes have been challenged or upheld in the past. Sen. Jane Ranum (DFL-Mpls.) said there is ample precedent to support the Legislature's authority to give direction to courts on the rules of evidence.

Sen. Thomas Neuville (R-Northfield) also questioned the change, saying that consideration of subsequent acts that do not themselves constitute charges or admissions of guilt is of dubious relevance in a court proceeding. He said the Supreme Court had ruled against the inclusion of such evidence in a similar instance. Betzold offered an amendment deleting the section changing the rules of evidence.

The amendment failed. The bill was approved and sent to the floor.

Ranum gained approval for a bill that amends laws related to the election of neighborhood organizations. Scott Benson, a member of such an organization, said current law often prevents residents from participating in neighborhood elections. The bill, S.F. 1797, eases existing restrictions and includes election notification provisions. The committee amended the notification provisions to allow electronic notification in addition to the other stated means. The bill was also amended to clarify that the notification requirements only apply to meetings at which elections are held or bylaws are amended. The bill was approved and sent to the floor.

Members approved a bill, S.F. 1561, authored by Sen. John Hottinger (DFL-Mankato), that makes numerous technical changes to the revised Article 9 of the Uniform Commercial Code. The bill was approved and re-referred to the Committee on Finance.

The last bill heard by the committee was presented by Sen. Randy Kelly (DFL-St. Paul). S.F. 2142 clarifies due process as it relates to the property that is condemned and taken over for the construction of roadways. Kelly said the bill corrects existing statute to comply with a court ruling by extending protections granted to property owners when land is taken for other public purposes. The bill was approved and sent to the floor.

## Bad check bill stalls

A bill modifying the penalties and charges for writing bad checks was stalled in its progress at the Tues., Apr. 10, evening meeting of the Judiciary Committee. The committee, chaired by Sen. John Marty (DFL-Roseville), did adopt an amendment worked out by the Minnesota Retailers Association and the Legal Aid Society.

The amended bill, S.F. 1227, carried by Sen. David Johnson (DFL-Bloomington), provides that the issuer of a worthless check may be charged a fee of \$30 by the payee of the dishonored check after the payee notifies the issuer that the check was dishonored. In addition, if the amount of the check and the \$30 service charge are not paid within 75 days, the issuer is liable for the amount of the check, the \$30 charge and an additional charge of \$50 or the face value of the check, if the check is for more than \$250. The bill also

specifies the form for the notice that the payee must send the issuer of the check.

Panel members questioned the amount of the charges and the fact that the issuer does not have legal recourse to dispute the service charges. Marty provided an example of an individual whose pay check was not credited to the individual's account, but the individual unknowingly wrote bad checks on the account. Marty said that in such a case the issuer of the check was not at fault, yet the penalties would accrue and the individual would have no recourse but to pay the penalties. Sen. Warren Limmer (R-Maple Grove) also said he was concerned about the level of the service charges and suggested that the charges be more proportional. He said the current bill charges the same penalties whether it is for a \$4 check or a much larger amount.

Johnson said the compromise measure allows extra time—the 75 days—for individuals to contact the retailer and work out a solution for the bad check. He also said that no matter how the issue is dealt with, someone ends up having to pay, usually the public in the form of higher prices. However, Johnson agreed to lay the bill over for further consideration.

In other action, the panel also briefly discussed the remedy provisions of a bill that was not in formally before the committee. S.F. 1341, authored by Sen. Leo Foley (DFL-Coon Rapids), requires assisted living home care and housing with services providers to disclose the types of services offered to residents with Alzheimer's disease or related disorder to the commissioner of health, the Office of Ombudsman for Older Minnesotans and each person seeking placement within the residence. Foley said the bill is an attempt to provide consumers with some basis for comparing facilities when selecting a facility. The portion of the bill drawing the committee's attention was a provision specifying that there is no private right of action for violations of the disclosure provisions. Ken Peterson, from the Attorney General's Office, said individuals are still able to sue facilities on other grounds such as fraud, if the facilities did not provide the services outlined in the disclosure.

One measure, S.F. 846, authored by Sen. Richard Cohen (DFL-St. Paul), was approved and advanced to the floor. The bill authorizes the use of the criminal justice data communications network for

determining if civil commitment petitions of proposed patients as sexual psychopathic or sexually dangerous persons should be filed.

## State and Local Government Operations

### Low voltage regulation discussed

A bill that amends the regulation of certain types of electrical technology systems generated considerable debate at the Thurs., Apr. 5 meeting of the State and Local Government Operations Committee. Sen. Jim Vickerman (DFL-Tracy), chair of the committee, presided over a full agenda that included several other contentious bills.

S.F. 2150, authored by Sen. Dan Stevens (R-Mora), makes a distinction regarding certain types of electrical installations. Stevens said the growth in certain high-tech, low-voltage products has brought parties close to a long awaited resolution of issues regarding licensure and regulation of the growing technologies. Examples of such products referred to in testimony were landscape sprinklers, door bells, thermostats, and garage doors. He said products such as these are demarcated from high voltage infrastructure and do not need to be governed by existing electrical regulation because the products do not contain the same degree of safety risk.

Stevens said the bill represents a considerable effort over many years to negotiate the provisions with opponents and to meet the demands of the many concerned parties. He said the bill was amended this year in the other body to remove certain low voltage applications that have safety implications, such as jail security. Testimony in support of the bill was given by representatives of a number of manufacturers, contractors, unions, and builders.

Representatives of the Minnesota Board of Electricity and the International Brotherhood of Electrical Workers testified in opposition to the bill, saying they still have concerns about system integrity and applications where low-voltage products control the operation of high-voltage equipment, as is the case with heating, ventilation and air conditioning controls. The state board representative said a task force study of the issue included many recommendations that still are not

included in the bill. Stevens said the differences of opinion can still be ironed out and added that he would meet with the opponents. He said the process of reform has been a long time coming and he does not want it to lose momentum. The bill was recommended to pass and referred to the Committee on Commerce.

The committee considered two bills granting new means of collaboration among certain non-metro government units. Sen. Twyla Ring (DFL-North Branch) is author of the measures. S.F. 1392, creates a non-profit corporation called the Northern Technology Initiative to encourage economic growth and to attract technology companies to Carlton, Chisago, Isanti, Kanabec and Pine Counties. S.F. 1633 allows joint powers boards that already have waste water authority to use general obligation bonds to pay for a facility. She said the bill saves local governments money by allowing them to collaborate to fund waste water management.

Sen. Myron Orfield (DFL-Mpls.) asked if the Metropolitan Council or state planning agencies had been consulted on either of the bills. He said he is concerned that the bills contribute to the diffusion of long-term planning and worsen problems of urban sprawl. He said the counties named in S.F. 1392 are included in the Metro Area's "commute shed," as defined by the census, which is already the third least dense in the country. He does not think the area needs more competition for businesses and resources, but instead more coordination of planning. Sen. Dan Stevens (R-Mora) and Sen. Martha Robertson (R-Minnetonka) said the bills help reduce strains on the Metro Area by stabilizing populations and keeping economies viable in outlying cities and towns.

Sen. Ann Rest (DFL-New Hope) said Ring's joint powers bill needs careful consideration because it places ultimate responsibility for funding the wastewater facility on property taxpayers. Sen. Lawrence Pogemiller (DFL-Mpls.) said another issue is the absence of a referendum requirement for the bonds. Vickerman (DFL-Tracy) successfully proposed an amendment to make the bill local, but Pogemiller said he is still concerned about the precedent. Stevens said the counties and cities involved are only trying to do what the Met Council already has the authority to do.

# Committee update

Both of Ring's bills were approved. S.F. 1392 was sent to the floor and S.F. 1633 was re-referred, as amended, to the Committee on Taxes.

One bill before the committee was laid over. S.F. 761, authored by Sen. Chuck Fowler (DFL-Fairmont), requires membership of all appointed state boards to be balanced in representation from the Metro Area and Greater Minnesota. The bill also specifies notification requirements for all vacancies. Representatives of the Governor's Office said they understand the intent but do not think the bill is necessary because the office already makes concerted efforts to diversify all appointments with regard to a number of criteria, not just geography.

Funding to expand support for the Shooting Sports Education Center in Grand Rapids is provided under S.F. 1481, authored by Sen. Bob Lessard (IND-Int'l.

Falls). He said the money leverages other funding and attracts promotional capabilities of the center's education program. The bill was approved and re-referred to the Committee on Finance.

S.F. 2066, authored by Sen. Kenric Scheevel (R-Preston), allows a local firefighters association to establish a fund for receiving contributions from municipalities. Representatives of the association said the bill helps with fundraising events by correcting a problem associations have with funds that are reimbursed through the city treasury.

Sen. Steve Murphy (DFL-Red Wing) presented S.F. 1685, special legislation for Goodhue County that grants authority to appoint the auditor-treasurer. Murphy said the Senate has already passed a bill giving all counties the authority appoint county officers. S.F. 1685, he said, is being carried through to give Goodhue County the

authority even if the statewide bill is not enacted. The bill was approved and sent to the floor.

Members also advanced three other bills to the floor. S.F. 1614, authored by Sen. John Hottinger (DFL-Mankato), clarifies that civil actions may be made by state employees under the federal Age Discrimination Act. Sen. Sandra Pappas (DFL-St. Paul) gained approval for S.F. 1957, a bill that requires the Office of Strategic and Long Range Planning to prepare a draft of an Urban Rivers Guideline to address the sustainable development of central business districts along rivers. A bill by Rest ends state involvement with the appointment of the board of the State Fund Mutual Insurance Company. Rest said the bill, S.F. 1678, makes the company a private corporation and repeals all statutes making reference to the contrary.



Brian Carlson of Bovey, Minn. (left) and Sen. Bob Lessard (IND-Int'l. Falls) address members of the Agriculture, General Legislation and Veterans Affairs Committee Weds., Apr. 11, in support of a resolution urging the United States Postal Service to create a postage stamp reproducing Eric Enstrom's famous photograph "Grace."

Photo by David J. Oakes



## Pension bill heard

The State and Local Government Operations Committee, chaired by Jim Vickerman (DFL-Tracy), met Tues., Apr. 10, to hear bills on a wide range of topics.

Sen. Lawrence Pogemiller (DFL-Mpls.), presented S.F. 1321, an omnibus pension bill. The bill modifies teacher's retirement provisions, provides for service credit purchases and permits a transfer of funds. The bill also extends the prior service credit determination procedure.

Keith Carlson, from the Metropolitan Inter-County Association, said state funding is needed to address the Public Employees Retirement Association (PERA) funding shortfall. He said PERA employees already pay the highest contribution rate of any of the three major public pension plans.

Employees of the Minnesota State Retirement System (MSRS) pay at a rate of 4 percent, the Teacher's Retirement Association (TRA) employees pay 5 percent and PERA employees pay 5.18 percent.

Carlson said the bill provides for appropriations that correct the problem. Eric Willette, from the League of Minnesota Cities, said, "This is a balanced package and we need state participation for a final solution." S.F. 1321 was approved and re-referred to the Finance Committee.

Two bills, authored by Sen. Julie Sabo (DFL-Mpls.), deal with the Coldwater Springs area that is contiguous to Fort Snelling park. Sabo said the first measure, S.F. 2049, provides that the 27.3 acres of land known as historic Camp Coldwater, Coldwater Springs be preserved in perpetuity. The measure states that the area is historic as the birthplace of Minnesota and as a sacred origin site of the Dakota Nation.

Under the bill, the state recognizes the area as a traditional cultural property which is entitled to preservation and protection. Further, the bill prohibits the use of the land or actions that affect the land unless the use or action complies with federal law and does not affect the current flow of water to or from Camp Coldwater Springs and does not impact the natural communities around the springs.

A representative from the Minnehaha Watershed District said the district has no

concern over the bill's language. Representatives from MNDOT and the Metropolitan Airports Commission also said they support the measure.

An amendment was adopted deleting a portion of the property description and inserting language that reflects the National Register's border description language. The amendment was adopted and the bill was advanced to the Finance Committee.

The second bill, S.F. 2170, authorizes the acquisition and requires the transfer of the Coldwater Springs property by the Metropolitan Airports Commission to the Dept. of Natural Resources. Under the bill, the commission may retain an easement permitting overflight and allows the commission to impose restrictions on the property's use to prevent conflicts with aviation operations. The bill was also approved and advanced to the Finance Committee.

S.F. 1510, authored by Sen. Jane Krentz (DFL-May Township), modifies forest resource planning requirements and provides for notification of proposed changes to forest management guidelines. The bill also adds duties for regional forest resource committees, modifies monitoring and reporting requirements, and modifies review requirements for forest management guidelines.

Modification of research requirements, extending the authorization for the Minnesota Forest Resources Council and an appropriation of \$1.175 million in FY 2002 and \$900,000 in FY 03 is also provided under the bill.

Krentz said the bill re-authorizes and funds the council for four more years. She said the sunset extension to 2005 ensures a continuation of funds. Robertson said sunset issues have come before the committee previously and sunset dates have been uniformly established for 2003. She said the uniformity allows the committee to address the issue over the interim.

"It forces us to look at councils and boards and identify which ones should not have sunset clauses. We need to put those councils and boards in base funding so that we don't have to continuously re-examine needs," said Robertson. Robertson offered an amendment to the bill, changing the 2005 sunset to 2003. The amendment was adopted. S.F. 1510 was approved as

amended and sent to the Finance Committee.

Another bill, S.F. 1963, authored by Krentz, provides direction to the commissioner of administration for developing bid specifications and procurement of commodities and services that promotes recycled materials. S.F. 1963 was approved and sent to the floor.

Sen. David Johnson (DFL-Bloomington) authored S.F. 1219, a bill establishing the Legislative Commission on Metropolitan Government. Under the bill the commission provides oversight and authorization to adopt the Metropolitan Council's operating and capital budgets, work program and capital improvement program. Johnson said the commission is comprised of elected officials that are accountable to voters. The bill was laid over for further discussion.

Johnson also authored S.F. 1760, a bill providing for the administration of workforce development programs. Under the bill, the composition of the Job Skills Partnership Board is changed and performance standards and reporting are required. Additionally, a Governor's Workforce Development Council Executive Committee is established.

Under the bill, the Departments of Economic Security and Labor and Industry are abolished. Additionally, the Department of Trade and Economic Development is renamed the Department of Economic and Workforce Development, which assumes the responsibilities of the abolished departments. Further, the bill establishes a new Department of Employment Services.

S.F. 1745, authored by Sen. Ellen Anderson (DFL-St. Paul), creates the Department of Economic and Workforce Development and transfers certain duties of the Departments of Trade and Economic Development, Economic Security, and Labor and Industry. The bill also provides a transition team. S.F. 1760 and S.F. 1745 were both approved and advanced to the Committee on Finance.

Sen. Chuck Fowler (DFL-Fairmont) authored S.F. 761, a bill providing for proportional representation on boards. He said the bill seeks to provide a better balance of appointees to boards by increasing the representation from Greater Minnesota. S.F. 761 was approved and sent to the floor.

# Committee update

## State Government, Economic Development and the Judiciary Budget Division

### .08 bill defeated

The Thurs., Apr. 5, meeting of the State Government, Economic Development and the Judiciary Budget Division gave the panel the opportunity to consider more bills with either an appropriation request or some other fiscal impact. Sen. Richard Cohen (DFL-St. Paul), chair of the division, said that he has not seen, in nine years as a budget division chair, a budget as tight as the one now before the Legislature.

The division took formal action on only one of the bills, S.F. 118. Authored by Sen. Leo Foley (DFL-Coon Rapids), the bill lowers the allowable blood alcohol concentration from .10 to .08 for a variety of offenses, including operation of a motor vehicle.

Sen. Jim Vickerman (DFL-Tracy) and Sen. Sam Solon (DFL-Duluth) both said implementation of the change will be extremely costly for the court system, which is already requesting personnel increases that do not account for the bill's impact. Foley said the federal government will decrease highway funding if the state does not make the change and adds additional funding as an incentive for states that do. Solon said the state still has six years to act on the change and recover from the impact of any federal dollars lost. The bill was defeated on a voice vote by the members.

The other bills on the division's agenda make direct general fund appropriations for a variety of programs, pilot projects, and relief packages. All of the bills were laid over for possible inclusion in the division's omnibus bill.

S.F. 143, authored by Sen. James Metzen (DFL-South St. Paul), doubles state funding for the youth intervention program (YIP) by appropriating an additional \$1.45 million a year. Executive Director Scott Beaty highlighted a 9 percent recidivism rate as evidence of the effectiveness of early intervention and prevention in helping young people who are involved with crime. Ruth Larson from Marshall said YIP's employment and mentoring opportunity repays the community and builds lasting skills and relation-

ships that help youth become meaningfully employed. A program participant and a parent gave testimony to illustrate how YIP services and support help children and teens turn their lives around and avoid much bigger trouble in the long run. Cohen asked why the increase in funding was not recommended in the governor's budget. Beaty said the governor recognized the success of the program but called for departments to keep funding levels even.

Sen. Linda Higgins (DFL-Mpls.) presented two bills to the committee. S.F. 797 increases the governor's base amount for the Minnesota Employment Center (MEC). Higgins said the additional funding of \$300,000 a year increases the number of clients to be served, all of whom are deaf or hard of hearing. Don Levin, a board member for MEC, said the target population faces great challenges because most have multiple barriers to employment. Mary Jo Duncan, an employment specialist for MEC who is hard of hearing, said the staff has the skills and knowledge to support workers at every stage of their employment and to help employers create a workplace where people can be successful and achieve a better quality of life.

Higgins' other bill, S.F. 816, appropriates \$1 million a year for management and technical assistance grants to non-profit organizations. The bill specifies that grants of \$5,000 to \$35,000 are to be awarded on a competitive basis to non-profits throughout the state, with a proportional number of grants going to organizations with annual budgets under \$2 million. Areas to be addressed by the grant are defined in the bill as board or organizational development, legal compliance, strategic or technological planning, and systems upgrades.

S.F. 550, authored by Sen. Linda Berglin (DFL-Mpls.), authorizes a pilot program that encourages landlords to rent to high-risk tenants. The bill appropriates \$453,000 for the biennium in a revolving fund that provides financial backing for targeted tenants. Sarah Frerotte of St. Stephens Shelter said that many people with unlawful detainers, criminal records, poor credit, or large families are not given the opportunity to rent and have to rely on being housed in shelters. She said the pilot project provides financial assurances to landlords while allowing housing advocates to help develop the targeted population as responsible tenants.

Sen. Dean Johnson (DFL-Willmar) also presented two bills. S.F. 479 appropriates \$6.5 million in one-time funding and relief as a continuing recovery package for the city of Granite Falls, which suffered a flood in 1997, a tornado in 2000, and two major plant closings. The bill specifies where the relief is targeted including housing, economic development, tax relief, human services, and education. Johnson's other bill, S.F. 34, raises the allowable education reimbursement rate to 100 percent for the Minnesota National Guard. For the biennium, the bill appropriates \$7 million in excess of base funding to support the increased allowance.

S.F. 827, authored by Sen. Steve Kelley (DFL-Hopkins), appropriates \$150,000 to the Minnesota AIDS Project (MAP) for workplace training, especially for small companies. Representing MAP, Bob Tracy said recent surveys indicate that current attitudes and awareness on the part of employers and coworkers can place employees who are HIV-positive in danger of discrimination, loss of health coverage, or invasion of privacy. Another bill authored by Kelley, S.F. 763, appropriates \$1.45 million for pilot projects and other activity related to the implementation of a work plan by the Task Force on Electronic Real Estate Filing. Cohen asked if the cost of implementation could be covered with an increase of filing fees. Kelley said a general fund request is appropriate because, ultimately, the entire state benefits from electronic filing.

### Funding bills continue

The State Government, Economic Development and the Judiciary Budget Division met Fri., Apr. 6, to hear bills concerning a new National Guard Armory, organ donation and other requests. No formal action was taken on any of the bills. Chair Richard Cohen (DFL-St. Paul) said bills are being laid over and will either be reconsidered as part of the omnibus bill or forwarded to the Capital Investment Committee.

A new armory/community center in St. Paul is funded under S.F. 519, authored by Sen. Randy Kelly (DFL-St. Paul). The bill appropriates \$5 million in bond proceeds for site acquisition and pre-design of the facility. Kelly said \$1.5 million for clean-up of either of the proposed sites can be paid for with other funds, so he offered an amendment to

change the bill's appropriation to \$3.5 million. The amendment was adopted.

Kelley said the Department of Military Affairs wants to build a new \$30-million facility that combines armory functions with the wider purposes of a community center. Colonel Dennis Lord said the concept of creating broader community use for armories is unique to Minnesota. Kirsten Kidder, a representative of the Frogtown neighborhood, the proposed location of the facility, said residents welcome the stability and opportunities the armory will bring to the neighborhood. Kelly said a new armory in Frogtown will allow state government more flexibility in the use of the existing armory building on the Capitol mall.

S.F. 989, authored by Sen. Linda Scheid (DFL-Brooklyn Park), requires employers to give up to 30 days of paid leave for employees making a living organ donation. Cheryl Jacobs, a social worker who often works with donors, said financial strain currently deters people who would otherwise donate organs. Susan Gunderson of LifeSource said the incentive offered by the bill will help close the gap that currently exists between available organs and waiting lists. Scheid said a similar law currently provides for up to 40 hours of leave for bone marrow donation. She said the only fiscal impact of S.F. 989 is an estimated annual cost of \$19,000 for the state, as an employer, to cover employees who participate.

Sen. Linda Higgins (DFL-Mpls.) came before with a bill for micro-enterprise grants. S.F. 1027 appropriates \$500,000 for technical assistance to small businesses in inner cities and small towns. A representative of the Whittier Community Development Corporation said that small grants in technical assistance can go a long way toward safeguarding larger investments provided to small businesses through revolving loans.

The committee heard two bills related primarily to Greater Minnesota authored by Sen. Jim Vickerman (DFL-Tracy). S.F. 847 appropriates \$500,000 to the Rural Policy and Development Center at the University of Minnesota-Mankato. The bill specifies a 1-to-1 match of non-state money to receive the grants, which are to be used for research and policy analysis on the emerging economic and social issues in rural areas throughout the state. S.F. 1730 appropriates \$85,000 a year for government of training services through the

Office of Strategic and Long Range Planning. Vickerman said the agency provides helpful training for officers and employees at all levels of local government.

Sen. Ellen Anderson (DFL-St. Paul), a co-author, presented S.F. 1111. The bill exempts certain park buildings from pre-design requirements normally placed on public construction projects. Anderson said many other kinds of projects are already exempt and added, that for some local parks, the requirements are costly and redundant. The bill was amended to apply only to buildings owned by local governments in the Metro Area.

### Refugees' job skills addressed

At the meeting held in the morning Mon., Apr. 9, the State Government, Economic Development and the Judiciary Budget Division heard presentations on bills appropriating money for programs that support immigrants, female entrepreneurs, and youth.

Sen. Ellen Anderson (DFL-St. Paul) presented two bills addressing the economic development needs of immigrants and women. She said both of the measures are for programs that have been cut entirely from the governor's budget. S.F. 1138 appropriates \$1 million to serve refugees and immigrants through lifetrack resources programs. The other Anderson bill, S.F. 1740, appropriates \$265,000 a year for women's business development through the WomenVenture program.

Barb Grossman from LifeTrack said the program has a collaborative emphasis that meets the needs of employers and employees. A human resources manager for DoubleTree Hotels, said the workers that come to her by way of the program are better prepared and more likely to advance to supervisory roles. Nga Tran, an immigrant from South Vietnam, said she and her husband could not have found work in this country without the program. Kaltuma Hassan, a Somali refugee who supports herself cleaning offices for 3-M Corporation, presented translated written testimony that many women from other countries arrive in the United States without having had formal education or work experience. Mohamud Hashi, Hassan's job mentor and translator, said that the state, despite a cold climate, has made it possible for Somalis to be successful here, creating the largest Somali population anywhere outside of Africa.

Speaking on behalf of S.F. 1740, WomenVenture President Tene Heidelberg said former Texas Governor Ann Richards called the program the "jewel of Minnesota." Jan Jordet, vice president of the program, said past state funding created jobs that annually generate taxes equalling 20 percent more than the annual appropriation. She added that 40 percent of those served are women of color and 42 percent had incomes below \$20,000. Sen. James Metzen (DFL-South St. Paul) said the return the state gets is impressive, especially since some of the women were previously on public assistance. Shar Bjerke, a woman who started a home-based business so she could take care of her children, said the program provided her with ongoing technical assistance and access to resources that have helped make her successful.

S.F. 1317, authored by Sen. Linda Higgins (DFL-Mpls.) appropriates \$1.5 million above the governor's budget request for the youthbuild program, which teaches construction skills to young people previously involved in crime. Program participant Robbie McKinley said the program is helping her get her life back together by teaching her self-esteem, consequences for her actions, and skills that allow her a positive outlet for her energy.

Thomas Adams from Youthbuild said the program places 99 percent of its graduates in jobs that pay an average of \$10.35 an hour.

The Higgins bill, as well as the bills authored by Anderson, were laid over and will be considered with other appropriation requests when the division formulates an omnibus bill.

Sen. Bob Lessard (IND-Int'l. Falls) presented S.F. 975, a bill that appropriates bond proceeds to the city of Floodwood. The bill specifies that the funding be used to acquire land and develop infrastructure for a business and industrial park. Mayor Dave Denoyer said Floodwood is unique among cities in St. Louis County because it has fewer sources of help in lessening the impact of the region's sagging economy. He said the county's designation as a federal entitlement county makes Floodwood ineligible for small cities grants from the Department of Trade and Economic Development. He also said the city is not included in the scope of the Iron Range Resources and Rehabilitation Board.

# Committee update

Sen. Jim Vickerman (DFL-Tracy) said the bill should specify a funding match with non-state dollars. Sen. Richard Cohen (DFL-St. Paul), chair of the division, laid the bill over to be considered with other bond appropriation requests.

## Virginia requests heating repair

Sen. Richard Cohen (DFL-St. Paul), chair of the State Government, Economic Development and the Judiciary Budget Division, called the group together again in the afternoon Mon., Apr. 9, to continue hearing general fund and bonding requests under the purview of the division.

The division heard three bills under the authorship of Sen. David Tomassoni (DFL-Chisholm). S.F. 2203 appropriates \$5 million in bond proceeds to the city of Virginia for capital repairs to the city's heating system. Terry Leoni from the city's Department of Public Utilities explained that the city has a unique system that provides steam heat for commercial and residential properties through a central infrastructure. He said 75 percent of the system is worn out due to the strain caused by nearby mining activity. As the population of the town ages, Leoni said, the city needs to turn to government funding to replace the system, including an anticipated \$21 million from the federal government.

Independent living for people with physical disabilities is addressed in another of Tomassoni's bills. Under S.F. 1701, eight certified centers for independent living are granted a total of \$435,666. John Kauppi, a client and employee of the center in Hibbing, said the centers provide resources and direction for people with physical disabilities so that they can be more self-sufficient.

The final bill presented by Tomassoni, S.F. 1627, makes a one-time appropriation of \$4.5 million to the Department of Employee Relations. Tomassoni said the money will be used to reimburse state agencies for back-pay to their employees, as required under the federal Fair Labor Standards Act.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 2087, a bill that increases the base budget for Opportunities Industrialization Centers (OIC) around the state by a total of \$685,000 a year. Ben Wright of the OIC State Council said the centers "serve those who are most in need and those who are the hardest to serve," including minorities with unique needs,

emerging immigrant populations, and public assistance recipients who are facing cessation of current benefit. The bill specifies that \$350,000 of the increase is to be used for English language and job recruitment training for Southeast Asian, Somali, East African, and Hispanic/Latino populations. Another \$210,000 is directed, under the bill, to job training around the state for current recipients of public assistance.

S.F. 2267, authored by Sen. Steve Murphy (DFL-Red Wing), appropriates \$500,000 in bond proceeds to renovate a tunnel on the campus of the Hastings Veterans Home. Steve Musser of the Veterans Home Board said the tunnel, which runs under state highway 291 to connect the home to a state hospital, is now closed because of deterioration. He said the state will save money on renovation by doing it now because equipment can be used that is already on site for other renovations.

Sen. Jim Vickerman (DFL-Tracy) presented a bill that restores funding for several tourism information centers around the state. On behalf of the Minnesota Association of Convention and Visitors' Bureaus, John Connelly said the centers, which previously were funded from the trunk highway fund, are a critical tool for increasing spending by visitors to the state. The bill, S.F. 1980, adds \$766,000 a year to the base budget of the Office of Tourism for the operation of the centers.

Minnesota Rural Partners, the state's rural development council, is granted \$150,000 a year under S.F. 1683, authored by Sen. Dean Johnson (DFL-Willmar). The bill specifies a one-to-one match for the funding, which the council uses to coordinate the efforts of parties engaged in rural development. Marcie McLaughlin, executive director, said the council "can do more faster for rural Minnesota" and added that the council will hold its fourth annual summit this summer in Duluth. Deb Miller-Slipek, from the Rural Development Office of the United States Department of Agriculture, said the council's direction has made it possible for her agency to contribute \$240 million in federal money to a variety of projects in Greater Minnesota.

S.F. 1825, authored by Sen. Steve Kelley (DFL-Hopkins), creates a technology enterprise fund that draws money from a variety of sources, including rental of communications towers, the sale of surplus

equipment, and cost savings generated by the fund's enterprise-wide technology projects. The bill also creates a Technology Enterprise Board that combines public and private collaboration to offer advice on the appropriate use of the fund.

Sen. Dennis Frederickson (R-New Ulm) presented a bill to support year-round work by the Minnesota Inventors Congress with grants through Minnesota Technology, Inc. S.F. 832 appropriates \$95,000 a year to the Inventors Resource Center (IRC) so that resources may be made available to inventors throughout the year. Deb Hess, president of MIC, said the IRC staffs a phone line, offers workshops and consultation, and provides information in print and electronic formats. She highlighted examples of inventors from the state who have been able to license and develop inventions to bring jobs and economic growth to the state. The division took no formal action on any of the bills. Cohen said bonding requests will be forwarded to the Capital Investment Committee and appropriations bills will be reconsidered in groups according to the general category the bill falls under, such as housing, workforce development, or economic development.

## Income and Sales Tax Budget Division

### Local sales taxes considered

Members of the Income and Sales Tax Budget Division came together Thur., Apr. 5, and heard an array of requests for the authority to impose local sales taxes.

Sen. Becky Lourey (DFL-Kerrick) carried two bills expanding local sales tax rates. S.F. 134 allows Cloquet to increase the sales tax .5 percent to pay for a senior and community center, park improvements and the extension of water and sewer lines for an industrial park. S.F. 135, adds six projects to the three that are currently financed by Hermantown's local sales tax and permits the city to raise the rate one percent with voter approval. The approved projects include the construction of a new city hall, community education and recreation center as well as improvements to the city's ice rink and school athletic facilities.

S.F. 2001, sponsored by Sen. Steve Kelley (DFL-Hopkins), authorizes Hopkins to impose a sales tax of up to one percent on food and beverage sales from restau-

rants and bars. The bill specifies that the additional revenue must be used to finance public arts programming. Steve Mielke, Hopkins city manager, said the recently built arts center in the city has yet to pay for itself, although it has brought more than 120,000 visitors to the city of 17,000. He said the restaurants and bars profit from the center and their customers should help defray the costs of providing arts programming.

Fairmont was also among the cities requesting the authority to enact a local sales tax. S.F. 1336, authored by Sen. Chuck Fowler (DFL-Fairmont), permits the city to impose a .5 percent sales tax. The bill also allows the city to charge a motor vehicle excise tax up to \$20 per vehicle if sold by a dealer in the city. The bill specifies that the revenue must be spent on street, sewer and water main construction and improvement. "Many streets, sewer and water lines were built almost a century ago," said Fowler.

Sen. Dave Kleis (R-St. Cloud) offered S.F. 1822, which permits St. Cloud, Sartell, Sauk Rapids, Waite Park, St. Joseph and St. Augusta to levy a .5 percent sales tax to fund regional airport and library projects. St. Cloud Mayor Larry Meyer said a sales tax referendum has already passed and there is regional support for the tax.

Sen. Douglas Johnson (DFL-Tower) presented S.F. 591, which authorizes Beaver Bay to enact a sales tax of up to one percent in order to pay city debt and finance the upgrades to the sewer and water system, a fire hall and streets. "We don't feel there is any alternative to the sales tax," said Wayne Johnson, Beaver Bay city manager. He said the town, in which only 158 people live, already has high property taxes and most of the revenue goes to the county.

A bill increasing the allowable amount of taxes on hotel lodging from 12 to 13 percent in Minneapolis, was sponsored by Sen. Myron Orfield (DFL-Mpls.). The current 12 percent tax includes the 6.5 percent sales tax, .5 percent Minneapolis sales tax, 2 percent lodging tax and 3 percent entertainment tax. The bill raises the lodging tax 1 percent. Orfield said Duluth, St. Paul and Bloomington currently impose a 13 percent tax on hotel lodging.

The committee also considered a handful of bills providing tax exemptions. Sen. Sam Solon (DFL-Duluth) presented

S.F. 334, which adds the Western Lake Superior Sanitary District to the list of government entities that receive a sales tax exemption. Construction materials for a commuter rail service are exempted from sales tax by S.F. 459 and fuel purchased for a commuter rail system is exempted from sales tax by S.F. 458. Both bills, sponsored by Sen. Don Betzold (DFL-Fridley), division chair, lower the cost of a commuter rail system being built between the Twin Cities and St. Cloud, said Bill Schreiber, representing the North Star Corridor Development Authority. Sen. Arlene Lesewski (R-Marshall) carried a bill that extends the sales tax exemption for materials, supplies and equipment used or consumed in construction of an agricultural processing facility. David Hesse from the Prairie Farm Cooperative said the bill, S.F. 1015, is needed to complete the construction of a hog processing plant, which has been delayed due to design problems and poor winter weather.

Lesewski also sponsored a bill that authorizes Luverne to designate up to six areas, of no more than 100 acres, as border city zones, and sets the reduced tax allocation at \$183,000 for all years the zones exist. Luverne Mayor Glen Gust said the measure is needed to counter a South Dakota sponsored campaign to have people and businesses move to Sioux Falls. He showed the committee an advertisement placed in the Luverne newspaper encouraging people to move to Sioux Falls. "Luverne is at the mercy of highly successful economic development in Sioux Falls," he said.

Sen. David Tomassoni (DFL-Chisholm) carried a bill which, he said, corrects an oversight in the distribution requirements for the taconite tax. The bill changes the guaranteed distributions for cities and townships that contain a taconite mine to be based on 2000 revenues. The bill makes other revisions to the distribution guarantee formula.

The committee laid over all measures for possible inclusion in an omnibus bill.

## Property Tax Budget Division

### TIF future debated

Members of the Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), met Mon., Apr. 9, to hear

several bills that were all laid over for consideration in the omnibus tax package. Three measures, offered by Sen. Ann Rest (DFL-New Hope) and Sen. Linda Scheid (DFL-Brooklyn Park), significantly overhaul the tax increment financing (TIF) system.

Rest carried S.F. 73, which provides that no TIF district certified before 1990 may modify its TIF plan after Apr. 30, 2001. After Apr. 30, revenues derived from a pre-1990 district may be expended only if one of four criteria is met. First, the revenues are paid to a third party in connection to an activity within the district by Apr. 30, 2002. Second, the revenues are used for payment on debt service bonds sold before Apr. 30, 2002—provided that the proceeds of the bonds are reasonably expected to be spent before Apr. 30, 2002. Third, binding contracts with a third party are entered into for performance of an activity by Apr. 30, 2002 and the revenues are spent under that contract or cost of activities in the district are paid by Apr. 30, 2002. Fourth, TIF revenues are used to reimburse the payment of the costs. After the qualifying expenditures are made, the bill mandates that remaining revenues may be used only to pay debt service obligations. When all obligations have been met, the district is required to be decertified under the bill. S.F. 2198, Rest's other proposal, makes a variety of technical and clarifying changes to current TIF law.

S.F. 1798, offered by Scheid, applies the current five-year rule for post-1990 districts to pre-1990 districts, effective as if the districts were certified in 2001. Under the bill, beginning in 2006, tax increments may be spent only to decertify the district. The bill exempts districts for which the county board approves an exemption before 2005, housing districts, soils condition districts, or redevelopment districts certified under a special law. The measure also removes several TIF oversight responsibilities from the state auditor.

Andrea Stearns, League of Minnesota Cities, was joined by representatives of the Coalition of Greater Minnesota Cities, Association of Metropolitan Municipalities, Economic Development Association of Minnesota and Minnesota Solution in opposing the bills. Stearns said members of their organizations view TIF as the most viable redevelopment tool available to local communities. Bill Connors, representing the Office of the State Auditor,

# Committee update

said the state auditor never requested to be involved in auditing local governments and TIF districts. However, he said, the Legislature should be aware that private auditing firms do not conduct audits similar to the Office of the State Auditor. Only the state auditor performs legal compliance checks, Connors said.

Keith Carlson, Metro Inter-County Association, said the bills will put property back on the property tax rolls. He said cities or their redevelopment authorities should get in, accomplish the redevelopment goals and then put the district back on tax rolls. Carlson, in response to a question from Sen. Lawrence Pogemiller (DFL-Mpls.), said there are three major exceptions: districts for low income housing, cases where the county consents to longer term districts, and the Minneapolis NRP project.

The committee also considered S.F. 2136, authored by Rest, a bill to grant the small claims division of the Tax Court jurisdiction in cases dealing with property valuation, assessment, or taxation for property tax purposes in Hennepin County if the issue is denial of a current year application for homestead classification, only one parcel—classified as homestead and containing no more than one dwelling unit—is included in the petition, or the estimated market value of the property is less than \$300,000. According to Hennepin County Assessor Tom May, the bill allows for a more streamlined process with a lower filing fee than other court options.

Sen. LeRoy Stumpf (DFL-Thief River Falls) offered S.F. 1846. The bill allows watershed districts to levy a tax for the cost of preparing a management plan or for conducting adopted projects. The measure also adjusts the levy limit to \$345,000 and grants specific levy authority to pay increased costs of revising management plans or approved nondrainage plans.

S.F. 2129, presented by Sen. Arlene Lesewski (R-Marshall), imposes a tax on the production of electricity from wind energy conversion system installed after Jan. 1, 1995. Under the measure, the purchaser of energy generated by wind conversion systems is required to pay 0.3 cents per kilowatt hour of electricity produced. The bill also allows purchasers to pass the costs of the tax on to their customers.

Sen. Dennis Frederickson (R-New Ulm) offered S.F. 1805, which increases

the payment to Indian reservations from the state to one half of the state share of taxes generated from activities on the reservation and collected under an agreement with the tribal government. The bill also increases the maximum annual amount of the payment from \$1.1 million to \$4 million.

Sen. Kenric Scheevel (R-Preston) presented S.F. 2026. The bill exempts from the property tax the attached machinery and personal property of an electric generating facility that uses waste tires as a primary fuel source.

S.F. 1922, carried by Sen. Dick Day (R-Owatonna), requires the Met Council to establish a special taxing district to pay for the cost of operating a light rail transit line. The district, under the measure, may only collect enough revenue to meet costs not met by fare revenues.

Sen. Twyla Ring (DFL-North Branch) carried S.F. 2181, a bill to exempt property owned by a nonprofit charitable organization that qualifies as a 501(c)(3) organization and functions primarily as a historical society.

## Telecommunications, Energy and Utilities

### Energy loan program okayed

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul) met Thurs., Apr. 5, to discuss the rental energy loan and rebate program and to review the energy reform bill.

Metzen carried S.F. 1306, a measure allowing owner-occupied residential housing to be served by an existing energy loan program. Sheldon Strom, representing the Center for Energy and Environment (CEE) provided background information. He said that a settlement with Exxon Oil, involving overcharge money resulted in a payment to the state of \$4 million that is reserved for energy uses and administered through CEE. Strom said that the rental energy loan and rebate program (RELRP) was established in 1993 to finance energy efficiency improvements to rental property in the Metro Area. Since that time, CEE has originated over \$4 million in rental energy loans and generated over \$3 million in program income through principal and interest repayments to the fund. Currently, the fund has a cash balance of over \$400,000. The remainder

of the fund is loaned out to owners of rental properties at below market rates. Strom said the Department of Commerce proposes to work with CEE to expand the program to include both owner-occupied and rental residential property. Members approved the bill and advanced it to the floor.

The remainder of the meeting was taken up with discussion of the energy bill, S.F. 722. Ann Seha, representing the Department of Commerce, reviewed portions of the bill. She said that new streamlining processes and language in the bill significantly tighten timelines. According to Seha, transmission planning is a priority issue. The bill requires that the commissioner maintain a list of certified priority electric transmission projects. The commissioner must take into account electric energy system needs and economic, environmental, and social interests affected by the project. The bill details processes for transmission line development, application and certification. Following mention of the energy planning report, Sen. Arlene Lesewski (R-Marshall) asked that a map of existing transmission lines, including the capacities of the lines be provided. Lesewski said she would prefer to use the present grid and to increase the capacities of what is already in place, rather than starting from scratch.

Bill Grant, representing the Izaak Walton League and the Power Coalition said it was time for a different approach in building new transmission projects. He said he was concerned about the shortened time frame in the application process.

Sen. Ellen Anderson (DFL-St. Paul) overviewed portions of an amendment that she authored, including provisions to allow tax credits for purchases of energy efficient systems and sales tax exemptions for purchasing energy efficient appliances and equipment.

Other portions of the amendment include tax credits for expenditures for energy efficient buildings and spending proposals. Metzen said that no action would be taken on the bill until a later date.

### Energy bill approved

The Telecommunications, Energy and Utilities Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Tues., Apr. 10, to consider amendments to the energy bill. Metzen said, "This bill isn't quite perfect but it will keep the lights on in Minnesota."

Senate counsel presented a broad overview of the bill, S.F. 722, which includes provisions for energy conservation goals, sustainable building guidelines, joint ventures rules and authority, interconnection of on-site distributed generation, consumer protection, incentive payments, siting and routing of power plants and transmission lines, environmental review, renewable energy requirements and a conservation investment program.

An amendment was adopted to require that 50 percent of the renewable energy generated by wind energy facilities operational on or before Dec. 31, 2000, and by biomass energy facilities operational on or before Dec. 31, 2002, may be counted as renewable energy for purposes of determining compliance under terms of the bill.

Minnesota Association of Counties spokesman Tom Delaney said he opposed the portion of the bill that removes authority from counties in siting transmission lines that are less than 50 miles in length.

Sen. Dallas Sams (DFL-Staples) offered an amendment related to local review of site or route permits. The amendment specifies that a local unit of government must notify the board within 60 days of receipt of the application if it will route or site the project, or request the board to route or site the project. The amendment also specifies applicable projects that are subject to review by local units of government. No action was taken on the amendment.

Another amendment was offered by Sen. David Tomassoni (DFL-Chisholm) to modify procedures and requirements related to routing high voltage transmission lines. Sen. Dennis Frederickson (R-New Ulm) presented an oral amendment to modify the budget plan so that co-op members are not be required to absorb the cost incurred by other high-consumption energy co-op members. Both amendments were adopted.

Members approved S.F. 722 and referred it to the Environment and Natural Resources Committee.

### **Energy tax credits okayed**

The Telecommunications, Energy and Utilities committee considered a bill Tues., Apr. 10, outlining tax credits, tax exemptions and grants to promote environmentally responsible generation and use of energy. The bill, S.F. 1303, is

authored by Committee Chair James Metzen (DFL-South St. Paul) and includes proposals from several members of the committee.

The bill provides for incentive payments, at the rate of 1.5 cents per kilowatt hour, to qualified on-farm anaerobic digester systems that generate electricity, as well as continuing payments to hydroelectric facilities and wind energy facilities. However, the bill adds a requirement that a qualified wind energy facility may not be located within five miles of another wind energy facility constructed in the same year and owned by the same person.

Another section of the bill provides a property tax exemption for personal property used to generate electricity for facilities constructed after Jan. 1, 2001. The bill also allows taxpayers to take a credit for 15 percent of the purchase and installation price of certain energy systems, including solar and wind systems, ground source heat pumps, and fuel cells. The credit is capped at \$2,000 per year.

Other provisions of the bill include a sales tax exemption for the purchase of energy-efficient appliances. Members adopted an amendment adding clothes dryers to the list of eligible appliances. The bill also states that the tax exemptions and programs for recycling used appliances must be publicized.

Another section of the bill appropriates \$10 million for demonstration grants to local governments that install distributed electric energy generating equipment that uses renewable source or natural gas. In addition, \$25 million is appropriated to create an energy conservation revolving loan program to finance improvements in public buildings.

Finally, the bill provides for a pilot program to bury transmission lines that are close to residences. Members adopted an amendment providing that the Dept. of Commerce, staff of the public utilities commission and the Dept. of Health shall cooperate to evaluate the effect on public health of the pilot program. The bill was then approved and sent to the Tax Committee.

## **Transportation**

### **University Ave. bill heard**

The Transportation Committee met briefly Thurs., Apr. 5, to hear two bills. Sen. Randy Kelly (DFL-St. Paul) chaired.

Sen. Sandra Pappas (DFL-St. Paul) carried S.F. 1078, a bill appropriating money for transit improvements on the University Avenue corridor in St. Paul. The bill provides an appropriation to be used for a circulator bus system with buses that have a capacity of 15 persons or less. Also under the bill, the Metropolitan Council must ensure that the design of the system is compatible with its eventual use as a feeder system to light rail or commuter rail transit in the corridor.

Additionally, the bill another appropriation to be used for equipping regular route buses with systems that allow bus operators to activate a green light at traffic signals. Further, heating, lighting and other improvements to shelters at Dale Street and Lexington Parkway with University Avenue are provided under the bill. S.F. 1078 was okayed and referred to the Finance Committee.

S.F. 1109, authored by Sen. Dean Johnson (DFL-Willmar), defines terms and authorizes the commissioner to solicit and award design-build contracts for projects on a best value selection process. Additionally, transportation design-build projects are not subject to Minnesota statutes concerning professional and technical services contracts. The bill also contained various definitions, restrictions, directions and provisions.

Sen. Julie Sabo (DFL-Mpls.) offered an amendment that requires the design-build process be subject to municipal consent. The amendment was adopted. S.F. 1109 was approved as amended and sent to the floor.

### **Bottlenecks discussed**

In addition to dealing with the "Choose Life" measure the Transportation Committee, chaired by Sen. Randy Kelly (DFL-St. Paul), considered several additional bills at the Tues., Apr. 10, hearing.

Sen. John Hottinger (DFL-Mankato) presented S.F. 1139, a bill that appropriates money to solve bottlenecks in the Metropolitan Area and for improvements on at-risk interregional corridors outside the Metro Area. He said, "We are building off of the \$177 million spent for bottlenecks last year. The money is to continue the efforts and accelerate some projects." Sen. Dick Day (R-Owatonna) said the bill is a prudent measure because it is funded from next year's surplus, not this year's rebate.

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Day offered an amendment that places all proceeds from the tax on the sale of new and used motor vehicles in the highway user tax distribution fund. The amendment requires a referendum in the 2002 general election.

Samuelson said the question on the ballot also should ask tax payers if they want taxes raised to replace the estimated \$400 million that the constitutional change would take from the general fund. Johnson asked Day where budget cuts should be made to make up for the reduced general fund. The amendment was adopted with a 9-5 vote. The bill was recommended to pass on a 12-3 vote and re-referred to the Finance Committee.

Pappas offered S.F. 2225, a bill that creates a pilot project for drivers who transport students in vans. The bill had been debated at a previous hearing. Pappas said the bill requires drivers to have the all the same qualifications of a school bus driver, including a road test and a written test, except drivers do not have to have a drug test or an endorsement on their licenses. Pappas said the bill is supported by the School Bus Safety Advisory Council. Steve Hunter, representing the American Federation of State, Local, County and Municipal Employees, said the union does not approve of the bill. "If you want to insure drivers are safe and well-trained," he said, "They should have school bus driver licenses." The committee recommended S.F. 2225 to pass and advanced the bill to the floor.

Sen. Don Betzold (DFL-Fridley) brought the concerns of the city of Osseo before the committee in S.F. 128. The bill creates a fund for traffic-impacted metropolitan cities to pay for road construction and maintenance in cities less with a population less than 5,000 with at least one city street that has an average daily traffic count of 12,000 vehicles or more. The bill is needed, said Dave Callister, Osseo city administrator, to pay for a street in the city that supports regional traffic and causes the city a financial burden. The committee adopted an amendment that requires Osseo to place the street under Hennepin County's authority and for repairs on the street to be paid for with county funds. The bill, as amended, was recommended to pass and re-referred to the Committee on Finance.

Johnson carried S.F. 1456, a bill that changes the financing procedures for interregional transportation corridors and

fees related to the statewide communications system. Johnson said the bill is based on recommendations from the Department of Transportation. The bill was recommended to pass and re-referred to the Finance Committee.

## Transportation and Public Safety Budget Division

### Highway bills heard

Bills relating to highway noise barrier construction grants, highway designation signs, highway project studies and a highway completion appropriation were heard by the Transportation and Public Safety Budget Division meeting Thurs., Apr. 5. Sen. Dean Johnson (DFL-Willmar), chaired. Johnson said all bills are laid over for consideration during omnibus bill discussions.

Sen. John Hottinger (DFL-Mankato) authored S.F. 1140, a bill that provides a federal aid match and appropriations to complete Highway 14. Hottinger said the appropriation will finish the first stretch of the highway and put \$2 million towards the second stretch. He said Highway 14 completion is essential to the economy of Southern Minnesota. Tom Lidstrom, member of the Mankato Chamber of Commerce transportation committee, said, "Highway 14 is vital to the regional economic development, growth and safety. He said there have been 27 deaths in 5 years on the highway and urged support of the bill.

Under S.F. 1140, up to \$149 million, matched by federal aid, is appropriated to construct Highway 14 as a four-lane expressway between Waseca County highway 60 and Highway 56. Additionally, \$2 million is appropriated to complete an environmental impact statement for the expansion to four lanes of Highway 14, between the cities of New Ulm and Mankato.

S.F. 332, presented by Sen. Steve Kelley (DFL-Hopkins), provides for construction grants, a bond issue and an appropriation to construct noise barriers on highways. Kelley said the bill provides another mechanism for prioritizing construction of noise barriers. The bill provides a \$1 million appropriation for matching grants, to be awarded on a competitive basis, to counties and cities for noise barriers. Under the bill the state may provide a maximum of \$500,000 that

is no more than two-thirds of the cost when matched with no less than one-third from the county or city. An amendment to the bill was adopted taking out original language that included a bond sale and a noise barrier account.

Sen. James Metzen (DFL-South St. Paul) authored S.F. 822, a bill appropriating \$3.9 million in FY 02 for a grant to the Dakota County Regional Rail Authority. One half of the appropriation is used for a feasibility study, environmental studies and preliminary engineering on the Cedar Avenue corridor to link the Hiawatha, Riverview, and Northstar transit corridors in Dakota County. The appropriation also provides a connection with marked I-35E and I-35. The other half of the appropriation funds similar studies and engineering in the corridor that includes highways 52 and 3. The study must include an evaluation of transit alternatives in the corridor, including improved bus services, or a dedicated bus transit way, or light rail transit. The study must also include an evaluation of connections to downtown St. Paul and the Riverview and Red Rock transit corridors.

A bill authorizing state bonds and appropriating \$525,000 to complete the Forest Highway 11 in Lake County was authored by Sen. Douglas Johnson (DFL-Tower). Funds from S.F. 1102 are matched with federal funds to complete the remainder of the project. Johnson said the appropriation funds a four mile stretch of Highway 11 that completes a 54 mile reconstruction project that was begun a few years ago.

S.F. 681, authored by Sen. Arlene Lesewski (R-Marshall), designates Highway 75 as the "King of Trails." Lesewski said the trail runs through the entire state from the Canadian border to the Southern Minnesota border. She said the portion of the trail in Minnesota is part of a roadway that runs from Canada to Mexico. Additionally, the bill requires MNDOT to erect designation signage.

Betsy Parker, from MNDOT, said the department is concerned about setting a precedent. She said the cost to erect the signs will run from \$80,000 - \$90,000. "Other communities will want the state to assume the cost of signs that have always been requester pay signs," said Parker.

Lesewski said the "King of Trails" is unlike any other designation in the state because it will become part of an international highway.



# Preview

**Monday, April 16**

No meetings scheduled

**Tuesday, April 17**

The Senate will be in session at 12 noon.

## Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

12:15 p.m. Room 107 Capitol

**Agenda:** Minnesota State Capitol pre-design draft report. Campaign Finance and Public Disclosure Board confirmations.

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

1 p.m. Room 118 Capitol

**Agenda:** S.F. 1946-Chaudhary: Money for a pathway system to connect Mounds View with Rice Creek. S.F. 911-Bachmann: Money for reconstruction of state-owned storm sewer system from prison pond to St. Croix River. S.F. 1699-Anderson: Money to reestablish habitat in the Trout Brook area. S.F. 2200-Anderson: Appropriating money for and authorizing certain PCA programs. S.F. 476-Betzold: Clean water partnership grant to Fridley for the Springbrook subwatershed implementation project. S.F. 1838-Betzold: Appropriating money for clean water partnership agreements. S.F. 1977-Stumpf: Money for a hydraulic study of Red River north of East Grand Forks. S.F. 2177-Stumpf: Reimbursement program for animal loss due to anthrax. S.F. 26-Langseth: Money for water pollution control. S.F. 463-Langseth: Providing grants for the farm wrap network and rural help network. S.F. 1402-Langseth: Money for the flood hazard mitigation grants for the Red River basin. S.F. 1403-Langseth: Money for the Red River basin board. S.F. 1828-Langseth: Adding a river as a canoe and boating route. S.F. 1972-Dille: Grant assistance for the creation of agricultural product shipper organizations. S.F. 1778-Johnson, Douglas: Emergency communications equipment.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 1802-Frederickson: Exempts certain nursing homes from certain therapy services. S.F. 264-Johnson, David: Felony DWI. S.F. 1477-Foley: Child support DHS bill. S.F. 1245-Higgins: Public guardianship alternatives for mentally retarded. S.F. 934-Higgins: Removes ineligibility provision for GA/GAMC. S.F. 1310-Berglin: DHS health care bill. S.F. 871-Lourey: MinnesotaCare program eligibility expansion. S.F. 848-Sams: Excludes certain families and individuals from 18 month barrier for MinnesotaCare. S.F. 559-Sams: MinnesotaCare definition gross income for farmers. S.F. 325-Sams: Modifies the eligibility and cost sharing requirements for the prescription drug program. S.F. 794-Stevens: Nursing home case mix transition plan. All persons wishing to testify on the above bills should call the committee staff at 651-296-4261 by Mon., Apr. 16.

## Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

1 p.m. Room 318 Capitol

**Agenda:** S.F. 364-Lourey: Exempting purchase of construction materials for indoor sports and physical education complex in Hermantown. S.F. 524-Stevens: Exempting purchase of certain property used in constructing fire station facility in Princeton. S.F. 643-Reiter: Exempting purchase of construction materials and equipment in constructing a city hall in Arden Hills. S.F. 1593-Robling: Exempting purchase of construction materials, supplies, and equipment used in constructing library and police department facility in Shakopee. S.F. 291-Kinkel: Exempt construction materials and equipment for BCA satellite lab in Bemidji. S.F. 365-Lourey: Exempting materials and equipment used in constructing community activity center in Proctor. S.F. 821-Metzen: Exempting construction materials used for Dakota County northern service center. S.F. 820-Murphy: Exempting construction materials used for Dakota County Rosemont highway shop. S.F. 1493-Johnson, Debbie: Exempting purchase of certain property used in constructing fire department facility in Ham Lake. S.F. 2050-Johnson, Debbie: Exempting construction materials and equipment for a water treatment facility in Andover. S.F. 1016-Lesewski: Exempting

materials used in constructing regional emergency response and fire training center. S.F. 531-Lesewski: Exempting purchase of certain property used in constructing a law enforcement and family service center in Yellow Medicine County. S.F. 1925-Lesewski: Exempting purchase of construction materials and equipment used in construction of a school in ISD 2689, Pipestone-Jasper. S.F. 1713-Wiener: Exempting purchase of construction materials and equipment used in constructing community center in Eagan. S.F. 2184-Stevens: Exempting purchase of construction materials and supplies used in street reconstruction project in Milaca. S.F. 583-Pariseau: Exempting purchase of construction materials and equipment for a police department and central maintenance facility in Farmington. S.F. 1877-Pariseau: Exempting purchase of construction materials and equipment used in construction of water treatment and improvement of utility facility in Cannon Falls. S.F. 487-Bachmann: Exempting purchase of certain property used in constructing city hall in Hugo. S.F. 1511-Lessard: Eliminating expiration date for specific sales tax exemption. Bills heard in numerical order. Ten minute limit per bill.

## Property Tax Budget Division

*Chair: Sen. Don Samuelson*

1 p.m. Room 15 Capitol

**Agenda:** S.F. 2212-Hottinger: Property tax reform proposal.

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

1 p.m. Room 316 Capitol

**Agenda:** S.F. 1898-Lourey: Long term vocational rehabilitation services pilot project for persons with brain injuries. S.F. 2277-Lourey: Aitkin County homicide investigations and trials extraordinary expenses reimbursement appropriations. S.F. 2036-Pogemiller: Trial courts administration costs state funding. S.F. 2195-Lessard: Northern Minnesota private land use project grant appropriation. S.F. 635-Kelley, S.P.: Transitional housing services grant appropriation. S.F. 1591-Orfield: Section 8 home ownership program grants. S.F. 1641-Terwilliger: Home ownership assistance and full cycle home ownership services programs

# Preview

appropriations. S.F. 1820-Kelly, R.C.: Section 8 home ownership programs administrative costs grants appropriation. S.F. 1837-Sabo: Housing assistance programs consolidation and modification. S.F. 1190-Cohen: Housing programs funding. S.F. 1217-Cohen: State and local construction projects regulation; affordable housing provisions. S.F. 100-Johnson, Douglas: Minnesota Investment Fund targeted to the Range. S.F. 1812-Cohen: Biomedical innovation and commercialization initiative. S.F. 501-Cohen: Economic development through high technology investments.

## Legislative Coordinating Commission Subcommittee on Salary and Budget

*Chair: Sen. Roger D. Moe*

1:30 p.m. Room 400N State Office Building

**Agenda:** Review/approve biennial budget proposal. Other business as approved by the chair.

## Legislative Coordinating Commission

*Chair: Rep. Steve Sviggum*

Following the subcommittee Room 400N State Office Building

**Agenda:** Report from the Subcommittee on Salary and Budget regarding biennial budget proposal. Other business as approved by the chair.

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

3 p.m. Room 112 Capitol

**Agenda:** To be announced.

## Legislative Commission on Minnesota Resources

*Chair: Sen. Leonard Price*

7 p.m. Room 5 State Office Building

**Agenda:** Consider modification to 2001 recommendations to reallocate the money intended for Grey Cloud Island. Consider modification to 2001 recommendations to add to administrative budget appropriation to accommodate the results of the LCC classification and compensation study and other items. Consider work program allocations amendment for RIM critical habitat match-nongame program allocations. for acquisition on Bear Island in Leech Lake and the study of loons and watercraft. Consider modification to 2001 recommendations to extend National

Prairie Passage due to federal delays. Update on 2001 recommendations additional policy language change and appropriation of projected federal receipts under land and water conservation amended into S.F. 295. update on bills involving the Citizen's Advisory Committee; S.F. 868-Price/H.F. 1091-Johnson, J.; S.F. 1350-Krentz/H.F. 1302-Hackbarth; S.F. 1869-Robertson; S.F. 1263-Robertson/H.F. 1869-Anderson, B.

## Wednesday, April 18

The Senate will be in session at 9 a.m.

## E - 12 Education Budget Division

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** To be announced.

## Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

1 p.m. Room 118 Capitol

**Agenda:** S.F. 569-Fowler: Money for the Quad-Lakes project. S.F. 1112-Kelly, R.C.: Funding for a greenway corridor in St. Paul. S.F. 2084-Murphy: Agricultural processing revolving loan program. S.F. 1659-Murphy: Providing for a level 1 feedlot inventory. S.F. 1270-Kinkel: Environmental review required before sunken logs may be removed from waters. S.F. 2085-Kinkel: Money to construct the Headwaters Science Center in Bemidji. S.F. 1359-Scheevel: Money for a solid waste recovery facility. S.F. 1600-Scheevel: Money for flood mitigation and prevention. S.F. 2068-Scheevel: Money for a study of karst region feedlots. S.F. 833-Johnson, Douglas: Money for the Knife River harbor of refuge and marina. S.F. 1971-Dille: Additional funding for manure methane digester loans. S.F. 2069-Berg: Money for a study of environmental issues relating to hog feedlots. S.F. 2071-Berg: State cost-share money for the expense of certain feedlot environmental reviews. S.F. 1465-Higgins: Money for restoration and aeration of Powderhorn Lake. S.F. 1568-Higgins: Money to construct a portion of the Bassett's Creek Trail. S.F. 601-Frederickson: Money for a regional sludge management demonstration project. S.F. 717-Frederickson: Money to the University of Minnesota

Raptor Center. S.F. 1832-Higgins: Money for brownfield assessments for redevelopment.

## Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

1 p.m. Room 123 Capitol

**Agenda:** S.F. 633-Kiscaden: TANF local intervention formula. S.F. 1606-Berglin: MFIP \$100-rental subsidy. S.F. 1608-Berglin: MFIP Sanctions. S.F. 1668-Rest: TANF transitions employment training project. S.F. 1724-Berglin: MFIP 60 month extension. S.F. 1299-Berglin: TANF emergency assistance. S.F. 1147-Kiscaden: Stop-loss fund account. S.F. 1522-Neuville: Group residential housing supplemental rate for Teen Challenge. S.F. 1370-Berglin: Medical Assistance health care safety net prescription program. S.F. 828-Berglin: STD prevention plan. S.F. 1070-Berglin: Long Term Care. S.F. 1844-Moe, R.D.: Insure all KIDS. All persons wishing to testify on the above bills should contact the committee at 651-296-4261 by 4 p.m. Tues., Apr. 17.

## Higher Education Budget Division

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** To be announced.

## Income and Sales Tax Budget Division

*Chair: Sen. Don Betzold*

1 p.m. Room 318 Capitol

**Agenda:** S.F. 1871-Rest: Exempting certain energy efficient products. S.F. 1913-Pogemiller: Exempting additional classroom material. S.F. 1955-Hottinger: Exempting certain energy efficient products. S.F. 1982-Scheid: Exempting certain sales to benefit certain charitable organizations. S.F. 1991-Orfield: Exempting transit vehicles and parts for transit vehicles from sales and motor vehicle tax. S.F. 2026-Scheevel: Providing exemption for cogeneration electric generation facility using waste tires as primary fuel. S.F. 2067-Scheevel: Exempting county government from sales tax and reducing county aid payments to reflect reduced county spending. S.F. 2088-Lessard: Providing that sales of admissions to the Minnesota Zoo are exempt from taxation. S.F. 2128-Lesewski: Exempting sales made

by certain businesses. S.F. 2129-Lesewski: Providing production tax on wind energy in lieu of property tax. S.F. 2193-Kelley, S.P.: Exempting sales of investment coins and bullion. S.F. 2206-Larson: Exempting ambulance service supplies and equipment; exempting sales of repair and replacement parts for ambulances. S.F. 2212-Hottinger: Providing tax credit for business property; eliminating sales tax on purchases by local units of government. S.F. 2224-Murphy: Exempting purchases for certain road projects. S.F. 2264-Sabo: Reducing general sales and use tax and motor vehicle sales tax rates; providing for imposition of sales taxes by area transportation partnerships and providing for use of proceeds. S.F. 1513-Fischbach: Exempting purchase of materials and supplies used in constructing public facilities in Sartell. S.F. XXXX-Fischbach: Exempting construction of city hall and fire hall for Rockville.

#### **Property Tax Budget Division**

*Chair: Sen. Don Samuelson*

1 p.m. Room 15 Capitol

**Agenda:** S.F.11-Belanger: Updates fiscal disparities base to 2001. S.F.337-Johnson, David: Repeals fiscal disparities law. S.F. 785-Orfield: Expands fiscal disparities to Chisago, Isanti, Sherburne, Wright Counties. S.F. 1810-Pappas: Permits public uses on tax forfeited lands, changes census date. S.F.1839-Sheid: Requires DOR to study fiscal disparities issue. S.F. 1910-Pappas: Exempt attac. mach. of a biomass facility. S.F. 1917-Moe, R.D.: Provide pay-in-lieu for certain wetlands acquired by MDOT. S.F. 2114-Sams: Preferential and deferred assessment for forest land. S.F.1633-Ring: Allow Chisago Lakes Joint Sewage Treatment Commission to sell general obligation bonds. S.F. 2000-Sheid: Reduces class rates on certain low income rental housing. S.F. 2067-Scheevel: Exempts counties from sales tax and reduces HACA. S.F. 2079-Stevens: PLT payments for DNR acquired land. S.F.2239-Rest: Clarifying the application of tax in certain cases. S.F. 2262-Lesewski: Extends duration of a redevelopment district in Yellow Medicine. S.F.131-Ring: Exempts Wyoming and Chisago city from time limit for reimbursement for annexed property under joint development.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

1 p.m. Room 316 Capitol

**Agenda:** S.F. 2297-Neuvill: Third and Fifth Judicial Districts alternative dispute resolution programs. S.F. 844-Kelly, R.C.: Criminal offender mental health court pilot program; corrections and detention medical or psychological data disclosure. S.F. 1021-Dille: Marriage license fee reduction for premarital education participation. S.F. 375-Vickerman: Red Rock Central; broadband Internet access expansion grant appropriation. S.F. 2242-Lessard: Koochiching County Big Bear Country Education Center construction grant appropriation. S.F. 1276-Johnson, Douglas: State budget and forecast provisions modifications. S.F. 612-Hottinger: Blue Earth County River Bend rural advanced business facilitation program pilot project grant appropriation. S.F. 1535-Kiscaden: Critical worker shortage grant program. S.F. 1173-Wiener: Extended employment services reimbursement rate increases and continuation appropriations. S.F. 2172-Foley: Women nontraditional careers assistance grants. S.F. 2139-Anderson: St. Paul Port Authority customized job training program appropriation. S.F. 1760-Johnson, David: Workforce development programs administration; Departments of Economic and Workforce Development and Employment Services; results oriented job training grants. S.F. 1745-Anderson: Department of Economic and Workforce Development. S.F. 362-Samuelson: Camp Knutson capital expenditures grant appropriation.

#### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

1 p.m. Room 125 Capitol

**Agenda:** To be announced.

## **Thursday, April 19**

**The Senate will be in session at 9 a.m.**

#### **E - 12 Education Budget Division**

*Chair: Sen. LeRoy Stumpf*

1 p.m. Room 112 Capitol

**Agenda:** To be announced.

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

1 p.m. Room 118 Capitol

**Agenda:** S.F. 1700-Pappas: Grant to the city of St. Paul for improvements on Raspberry Island. S.F. 1941-Lessard: Appropriating money for the upper Mississippi comprehensive plan. S.F. 2040-Lourey: Money for Minnesota farm cooperatives to expand the Minnesota grown food project. S.F. 587-Moe, R.D.: Money for the reconstruction and modification of Ottertail Dam on Red Lake River. S.F. 2168-Olson: Money for the Lake Independence natural area. S.F. 299-Sams: Financing for the farm advocates program and agriculture information centers. S.F. 1677-Sams: Indexed funding levels for exhibitor awards. S.F. 1948-Sams: Adding a river as a canoe and boating route. S.F. 429-Larson: Money for materials recovery facilities for Pope and Douglas Counties. S.F. 1468-Larson: Changes to the wastewater infrastructure funding program. S.F. 996-Larson: Creating the Central Lakes Trail. S.F. 2230-Ourada: Money to aerate certain lakes. S.F. 2229-Ourada: Money for the aeration of Indian Lake in Wright County. S.F. 1564-Pariseau: Money for the Science Museum of Minnesota. S.F. 1260-Krentz: Matching funding from the general fund for private contributions to the nongame wildlife account. S.F. 1350-Krentz: Extending certain advisory committees.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

1 p.m. Room 123 Capitol

**Agenda:** To be announced.

#### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** To be announced.

#### **Income and Sales Tax Budget Division**

*Chair: Sen. Don Betzold*

1 p.m. Room 318 Capitol

**Agenda:** S.F. 2062-Kierlin: Reducing marriage penalties. S.F. 2104-Terwilliger: Abolishing withholding taxes on wages; providing for payment of estimated taxes on wages. S.F. 2112-Reiter: Exempting contributions to and interest earned on

certain educational savings plan accounts from income taxes. S.F. 2152-Chaudhary: Expanding dependent care credit. S.F. 2157-Chaudhary: Allowing subtraction for purchase of classroom materials for teachers. S.F. 2155-Chaudhary: Allowing full deductibility of health insurance premiums. S.F. 2213-Tomassoni: Providing subtraction for health insurance premiums. S.F. 2274-Stumpf: Providing income tax credit for portion of cost of acquisition of geothermal heating and cooling system. S.F. 2275-Stumpf: Exemption for geothermal heating and cooling systems. S.F. 330-Vickerman: Extending credit for taxes paid to other states to taxes of German Lander. S.F. 1976-Robertson: Allowing taxpayers to request notices be given to holders of powers of attorney. S.F. 2178-Stumpf: Allowing partial refund of fuel tax for commercial owners of recreational fishing launches; transferring money from general fund to water recreation account in special revenue fund.

#### **State Government, Economic Development and the Judiciary Budget Division**

*Chair: Sen. Richard Cohen*

1 p.m. Room 316 Capitol

**Agenda:** LCC budget presentation and carry-over from Tuesday and Wednesday (if necessary).

#### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

1 p.m. Room 125 Capitol

**Agenda:** To be announced.

#### **Environment and Natural Resources Committee**

*Chair: Sen. Jane Krentz*

7 p.m. Room 107 Capitol

**Agenda:** S.F. 722-Metzen: Establishing a state energy plan.

### **Friday, April 20**

#### **Transportation Subcommittee on Local Impact**

*Chair: Sen. Satveer Chaudhary*

8 a.m. Room 125 Capitol

**Agenda:** Finalize local impact proposals.

#### **The Senate will be in session at 9 a.m.**

#### **Environment and Agriculture Budget Division**

*Chair: Sen. Leonard Price*

1 p.m. Room 118 Capitol

**Agenda:** S.F. 1661-Samuels: Money for the city zoo in Little Falls. S.F. 252-Tomassoni: Unemployment insurance for temporary emergency firefighters. S.F. 2205-Stevens: Money for local road wetland replacement. S.F. 1486-Stevens: Creating a wetland delineator certification program. S.F. 662-Vickerman: Money for updating soil surveys. S.F. 378-Vickerman: Money for the wastewater infrastructure program. S.F. 324-Vickerman: Money for the floodwater control. S.F. 2226-Wiger: Money for compensation for remediation of the Empire Builder property. S.F. 1152-Wiger: Money for the Bruce Vento Regional

Trail. S.F. 515-Larson: Resource conservation and development association grants appropriation. S.F. 2284-Larson: Sault Ste. Marie narrows Poe lock cost state share appropriation. S.F. 1383-Murphy: Provisions relating to petrol tank release cleanup. S.F. 1957-Pappas: Urban rivers act preparation requirement. S.F. 2286-Samuels: Money for woodland education publication. S.F. 1689-Vickerman: Study and report on grain inspection fees. S.F. 1257-Wiener: Program to protect shoreland areas. S.F. 2312-Samuels: Extending the sunset date of the Dairy Producers Board.

#### **Health, Human Services and Corrections Budget Division**

*Chair: Sen. Linda Berglin*

1 p.m. Room 123 Capitol

**Agenda:** To be announced.

#### **Higher Education Budget Division**

*Chair: Sen. Deanna Wiener*

1 p.m. Room 107 Capitol

**Agenda:** To be announced.

#### **Transportation and Public Safety Budget Division**

*Chair: Sen. Dean E. Johnson*

1 p.m. Room 125 Capitol

**Agenda:** To be announced.

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# Senate Briefly

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*The highly buffed finish on a custom car provides a reflected image of the Capitol as members of the Minnesota Street Rod Association displayed their vehicles Tues., Apr. 17.  
Photo by David J. Oakes*



April 20, 2001

# Senate Highlights

## Daily floor sessions begin

Senators returned from a brief Spring recess Tues., Apr. 17, to begin the process of assembling the various budget bills and to act on measures that have cleared the committee process. The Senate held floor sessions in the mornings and devoted afternoons and evenings to consideration of bills for inclusion in the various appropriations bills.

The Tuesday floor session was primarily procedural and allowed for the processing of committee reports and re-referral of bills to other committees. The floor session held Weds., Apr. 18, saw the Senate grant final passage to a total of 34 mostly noncontroversial bills. The Thurs., Apr. 19, floor session was dominated by debate over redistricting principles.

## Budget resolution approved

The Finance Committee met briefly before the Spring recess and approved a resolution setting budget targets for each budget division. Chair Douglas Johnson (DFL-Tower) presented the resolution and the "three-legged stool," a comparison of the budget amounts recommended by the Senate, the other body, and the governor.

Johnson said the resolution reflects the Senate's three main spending priorities: education, transportation and health and

human services. The resolution designates \$9.405 billion for E-12 education and \$2.951 billion for higher education, a combined increase of \$733 million in education spending. Total education increases in the budgets of the other body and the governor are \$520 million and \$213 million, respectively. Transportation and public safety spending of more than \$843 million in the resolution represents an \$85 million increase plus \$300 million in one-time spending. The governor's budget includes a similar increase of \$82 million, while the House budget does not increase transportation spending. For health, human services and corrections, the resolution sets spending at more than \$7.354 billion, an increase of \$344 million, not including an as-yet undetermined increase in Temporary Assistance for Needy Families. The other body's budget increases health and human services general fund spending by \$135 million, with a \$102 million increase in TANF, while the governor's budget increases the general fund amount only, by \$241 million.

Other targets in the resolution are \$1.407 billion for state government, economic development and the judiciary, which includes \$75 million in one-time funding for housing, and \$577 million for

environment and agriculture. Johnson said majority leadership also intends to include a bonding bill of \$150 million or more. He said the budget includes \$1.038 billion in tax relief and added that tax cuts, on the whole, are balanced with people's concerns about issues such as education, tuition costs, transportation, and nursing homes.

Sen. Dick Day (R-Owatonna) told Johnson the two of them need to visit each other's districts because, "one of us is apparently not living in the state of Minnesota." He said he more often hears people asking for tax relief. Sen. Richard Cohen (DFL-St. Paul) said the budget accurately represents people's wishes. Cohen said he predicts that the budget bills drafted by the divisions will be strongly supported by Senators from both major caucuses.

The resolution was approved and forwarded to the full Senate.

In other business, the committee approved S.F. 994, authored by Johnson, a bill that appropriates funding for the Natural Resource Research Institute. The committee acted on the bill so that it could be re-referred from the State Government, Economic Development and Judiciary Budget Division to the Higher Education Budget Division.

## Felony DWI discussed

The lion's share of the Tues., Apr. 17, meeting of the Health, Human Services and Corrections Budget Division meeting was devoted to discussion of a proposal to create a felony penalty for repeated DWI violations.

S.F. 264, authored by Sen. David Johnson (DFL-Bloomington), specifies that if a person commits a DWI within ten years of the first of three or more prior impaired driving incidents the felony penalty applies. Further, the bill provides for a mandatory sentence of not less than three years imprisonment and a criminal fine of up to \$14,000.

Johnson said the basic idea of the bill is to deal with repeat offenders by providing increased accountability through the enhanced penalties.

Much of the debate surrounding the bill in policy committees concerned the increased cost to the Department of Corrections should the bill become law. Division chair Linda Berglin (DFL-Mpls.) and Johnson focused the discussion on an amendment that would substantially

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reduce state costs associated with the bill. In addition, Johnson said the amendment provided another focus to the bill, that of intensive chemical dependency treatment. He said the amendment reduces costs by reducing the time the offender is in the state corrections system and requiring the offender's health plan to cover the cost of treatment.

Under the amendment, when the court commits a person to the custody of the commissioner of corrections, the court must require the commissioner to release the person before completion of the persons' term if the person has served at least one-third of the executed sentence and has successfully completed a chemical dependency treatment program while in prison. The amendment also authorizes the commissioner to release the person up to 150 days before having served one-third of the sentence if the commissioner places the person in a productive day program. Another provision of the amendment specifies that if a person is not released because the person did not complete treatment or did not enter a productive day program, the person must serve one-third of the sentence in prison, up to an additional one-third of the sentence in disciplinary confinement time added for violating the commissioner's rules, and the last one-third of the sentence in the local corrections agency in the county where the person was convicted. Finally, the amendment specifies that any health plan that the person is enrolled in and that provides coverage for chemical dependency treatment must cover the treatment provided by the department. The amendment also specifies that the treatment provided by the department is not subject to a separate medical necessity determination under the health plan's utilization review procedures.

Testimony on the amendment centered on the provision exempting treatment from the medical necessity determination. Phil Griffin, speaking on behalf of PreferredOne, and Robyn Rowen, speaking on behalf of the Insurance Federation of Minnesota, both said they were concerned about plans not being able to make the medical necessity determinations because, in effect, the determinations were being made by the courts. In addition, both expressed concern that there were no cost containment provisions in the bill. However, Dennis Benson, deputy commissioner of

the department, said the department has a great deal of experience in providing chemical dependency treatment and that the costs outlined in the fiscal note were realistic.

No action was taken on the amendment, but Berglin said the discussions would continue.

Members also considered and adopted an amendment allowing the recoupment of probation fees, clarifying the level of supervision for offenders and requiring a study of on the implementation and effects of the felony level DWI offense. The bill was then laid over.

### **Redistricting principles passed**

Much of the Thurs., Apr. 19, floor session was devoted to debating two measures outlining the principles the Legislature must use in the redistricting process. S.F. 1013 and S.F. 1326, both sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), detail the principles, but S.F. 1013 is a bill for a law and S.F. 1326 is a joint resolution. Pogemiller said in past redistricting cycles, the principles had been outlined in a concurrent resolution. By having both a bill and a joint resolution, the Senate, the House of Representatives and the governor must all be participants in the process, Pogemiller said. He also said both measures are identical in specifying the principles to be used.

The principles for redistricting, as outlined in both measures, specify that legislative districts must be substantially equal in population and must not deviate from the ideal by more than plus or minus two percent. On the other hand, congressional districts, according to the principles, must be as nearly equal in population as practicable. In addition, other principles specify that districts must be composed of convenient contiguous territory, be numbered in a regular series, must not dilute the voting strength of racial or language minority populations, must preserve political subdivisions, must attempt to preserve communities of interest, be politically competitive and must not be drawn to protect or defeat an incumbent.

Pogemiller said that the principles are somewhat tiered in priority and that the principle of having legislative districts be substantially equal in population is one of the most important priorities. "A deviation of two percent allows us to balance with the other principles such as compactness,

and political boundaries," Pogemiller said. The principle that requires racial or language populations to not be diluted deals with the Voting Rights Act, he said. "We have an affirmative obligation to increase the possibility of minority representation wherever possible when done in compliance with other principles, but this is a balancing act because the courts have said that racial or minority populations can't be the sole criteria," Pogemiller said.

Pogemiller offered one amendment to allow the state demographer and the non-partisan staff to make corrections without having to wait for the U.S. Census Bureau. The amendment was adopted. Members of the minority then offered a series of amendments. Sen. Dave Kleis (R-St. Cloud) offered an amendment requiring that populations in legislative districts be equal. Kleis said, "Our goal is to develop the fairest plan and that includes following the one person, one vote ideal. Pogemiller countered that common sense dictates that there be some deviation, because of the other principles. The amendment was defeated on a 27-37 roll call vote.

An amendment, offered by Sen. William Belanger (R-Bloomington), set the deviation at 0.75 percent. The amendment failed 28-33.

Sen. Thomas Neuville offered an amendment specifying that the deviation take into account areas of the state that are growing and those that are not. Under the amendment, districts may deviate downward if they are projected to grow and deviate upward if project to lose population. Pogemiller opposed the amendment and said the most recent numbers proved the difficulty of projecting growth. He said many people had projected that Minneapolis and St. Paul would lose population, but just the opposite actually happened. The amendment failed 27-36.

Senators also considered amendments relating to minority representation, district numbering, and reducing the number of Senate districts from 67 to 64. None of the amendments gained acceptance.

S.F. 1013 was granted final passage on a vote of 38-27. Members repeated the process of offering amendments to S.F. 1326, the resolution form of the principles. None of the amendments were adopted, except for the amendment offered by Pogemiller authorizing corrections. S.F. 1326 was also granted final passage on a vote of 38-27.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### “Grace” stamp okayed

The Agriculture, General Legislation and Veterans Affairs Committee approved a resolution on the “Grace” stamp Weds., Apr. 10. Members also advanced bills in a continued effort to support the agriculture industry. Committee Chair Steve Murphy (DFL-Red Wing) presided.

Sen. Bob Lessard (IND-Int’l. Falls) carried H.F. 1391, a resolution urging the United States Postal Service to issue a stamp depicting the photograph “Grace.” The photo was taken in Bovey, Minn. in 1918 by Eric Enstrom, said Brian Carlson, who is leading the stamp campaign. He said the photo, which shows an elderly man with bowed head praying over a sparse meal, represents Americana and has been seen around the world. The bill was sent to the floor and recommended for the Consent Calendar.

Sen. Steve Dille (R-Dassel) carried the remaining three bills on the agenda. The bills, he said, are final pieces of a multifaceted program to support agriculture. S.F. 2094 provides funding for an agricultural trade specialist at the Dept. of Agriculture (MDA). Craig Damstrom of the MDA said farmers need particular assistance in marketing identity preserved (IP) crops internationally.

Dille offered several amendments enhancing the scope of the bill. One amendment appropriates funds to help Minnesota agriculture producers form a cooperative shippers association. The amendment helps small farmers reach foreign markets without going through a port middleman, Dille said. A second amendment directs the MDA to develop an education program for livestock producers to give advice on compliance with feedlot regulations. Producers are more likely to feel comfortable with the MDA than with the Pollution Control Agency (PCA), Dille said. Both amendments were adopted.

A third amendment incorporates the substance of S.F. 2314 into S.F. 2094. S.F. 2314 is a bill promoting “cow-friendly counties,” Dille said. Some counties welcome livestock producers, he said, while others find them problematic. The bill allows the MDA to award grants to those counties that wish to expand their

livestock sector. The grants may be used to develop county land use plans and evaluate capital improvement needs. The bill was incorporated into S.F. 2094 and the combined measure was sent to the Finance Committee.

Dille’s third bill, S.F. 2121, repeals obsolete or unnecessary agricultural provisions. Members adopted an amendment increasing the number of statutes repealed and advanced the bill to the floor.

## Commerce

### Insurance bill approved

Members of the Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth), met Weds., Apr. 11, to approve six bills before the second committee deadline.

S.F. 1054, authored by Sen. Linda Scheid (DFL-Brooklyn Park), the omnibus insurance bill, was among the bills considered by the committee. The measure makes a variety of changes to insurance regulations, including self-insurance provisions, continuation of coverage, lifetime maximum benefits for major medical coverage and Medicare-related coverage. Bob Johnson of the Insurance Federation of Minnesota said a section of the bill mandating an increase in minimum wage loss benefits from no fault auto insurance was unnecessary. More coverage can be purchased in the marketplace, he said, with a minimal impact on premiums. Gary Lavoisier, assistant commerce commissioner, said the Dept. of Commerce found that not all insurers offer more coverage and some insurers set a limit on how much more coverage can be obtained. Dominic Sposeto, representing the Independent Insurance Agents of Minnesota, said his organization is opposed to any statutory prohibition of agents charging fees to customers. He said many companies are now decreasing the commissions paid to agents and encouraging the use of fees. Current law, Sposeto said, gives agents the flexibility to stay in business and utilize both fees and commissions.

Sen. Cal Larson (R-Fergus Falls) offered an amendment to limit nonprofit health plan companies’ compensation of board members. The amendment caps compensation at \$66 per meeting. Larson noted that the figure is equal to the per diem allotted to Senators. Representatives from Blue Cross-Blue Shield said the

company wants time to consider the provision and examine any unintended consequences of the compensation limit. The amendment was adopted.

S.F. 1054 was approved and referred to the floor.

Committee members also approved S.F. 2150, presented by Sen. Dan Stevens (R-Mora). The bill regulates low voltage electric insulation procedures by creating a licensing system for technology systems contractors. Under the bill, licensed contractors need 18 months educational experience, must pass an examination administered by the State Board of Electricity and are required to meet continuing education requirements. The bill also provides for inspection of a licensed contractor’s work to meet safety standards. Representatives of the International Brotherhood of Electrical Workers testified against the bill, saying they were not included in the discussions to break through an 18-year impasse on the legislation. The bill, they said, ignores several life safety issues. Supporters of the bill said the life safety issues are addressed by the testing, training and inspection provisions included in the measure. The bill was approved and sent to the floor.

S.F. 1845, authored by Sen. Steve Kelley (DFL-Hopkins), is the Minnesota Money Transmitters Act. The bill is a consumer protection measure that regulates and licenses non-bank firms that transmit money, such as travelers cheques and electronic transfers. According to Tom Haider, vice president of Travelers Express, a company involved in money transfers, Minnesota is one of eight states that currently do not regulate the industry. The measure was approved and sent to the floor.

Sen. Edward Oliver (R-Deephaven) authored S.F. 1964, a housekeeping bill for the Life and Health Guaranty Association (LHGA). The bill includes National Association of Insurance Commissioners model amendments. The LHGA is established by state law to provide protection to insured persons covered by a life or health insurer that becomes insolvent. State law also requires all insurers to be members and to pay the association’s assessments to cover claims. The bill was approved and advanced to the floor.

S.F. 2033, presented by Sen. Mady Reiter (R-Shoreview), increases the credit for teaching an insurance continuing education course from 1.5 to 3 times the



number of hours taught. The bill also mandates that no more than half the required continuing education credit hours may be accumulated through attendance at a course sponsored by an insurer or offered electronically. Under current law, insurance agents are required to complete 30 hours of continuing education every 2 years. The bill was sent to the floor with a recommendation to pass.

Scheid also offered S.F. 311, a bill to prohibit directed surety. Surety bonds are required by state and local governments in connection with government contracts. The bonds are purchased by contractors to guarantee they are qualified to perform the contracted work. The proposal prohibits state agencies and local units from mandating that surety bonds be purchased from a particular insurance company or insurance agent. The bill was approved and sent to the floor.

## Crime Prevention

### Seat belt bill advanced

Members of the Crime Prevention Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), convened Weds., Apr. 11, to discuss several bills.

Sen. John Hottinger (DFL-Mankato) presented S.F. 1178, a measure that modifies the current seat belt law. Under the bill, passengers younger than 18 but at least 4 years of age are required to wear a seat belt. Current law requires that passengers older than 3 but younger than 11 must wear them. Drivers are subject to a \$25 fine for a violation of the seat belt law if a passenger under age 15 is in the vehicle and not wearing a seat belt. A key provision makes a seat belt violation a primary offense. Current law allows peace officers to cite seat belt violations only in conjunction with a lawful stop for another violation not related to motor vehicle equipment.

Hottinger said similar bills were enacted in Michigan and California with dramatic results in terms of seat belt use and saved lives. He said the bill, if passed, would save the lives of 50 Minnesotans annually. Bureau of Criminal Apprehension (BCA) spokesperson Linda Finney said that African American seat belt use is lower than the population as a whole and that passage of the bill would save the lives of many African Americans, young men in particular.

Ranum offered an amendment requiring that when peace officers stop a vehicle for a seat belt violation, they must record the race and ethnicity of the driver and passengers, in addition to recording whether a citation was issued or an arrest made. Ranum said she authored the amendment because of earlier committee testimony concerning racial profiling and subsequent concerns about unjustified traffic stops. Ranum said several African American witnesses told of being stopped unnecessarily or for faulty vehicle equipment. Sen. Warren Limmer (R-Maple Grove) said it made him uncomfortable to address legislation according to race or ethnicity. Sen. Satveer Chaudhary (DFL-Fridley) said the amendment combines two complimentary topics and that he supports the data study and the report specified in Ranum's amendment. Following lengthy discussion about the possibility of using the primary seat belt law to justify racially biased traffic stops versus the issue of saving lives through stricter seat belt laws, the amendment failed to gain approval.

Ranum also offered an amendment, which was adopted, to require a study to determine the degree to which injuries and deaths decreased in the one-year period following enactment of the primary seat belt law.

Hottinger offered an amendment specifying use of a provisional license and instruction permit as they apply to the bill. A provision requires that a permit holder may only operate a motor vehicle when every occupant under age 18 has a seat belt or child passenger restraint system properly fastened. The amendment was adopted.

Sen. Thomas Neuville (R-Northfield) said he was going to vote against the bill because he objected to using criminal law to mandate behavior. "Laws should protect us from others and from the conduct of others," he said.

Initially, the bill failed on a tie roll-call vote, but Sen. Linda Berglin (DFL-Mpls.) later requested that the bill be reconsidered. The bill was then sent to the floor without recommendation.

Chaudhary carried S.F. 1552, a measure to define the level of negligence for the crime of negligent fires. International Association of Arson Investigators representative Denise DeMars said that the "culpably negligent" standard under current law is too high a standard to hold

up in court. The bill instates the phrase "grossly negligent." DeMars said the concept for the bill arose out of fires caused by individuals who produce methamphetamines. The bill was approved and recommended for the Consent Calendar.

Ranum presented S.F. 1244, a bill specifying that use of less lethal munitions by peace officers does not constitute deadly force. Anoka County Sheriff Larry Podany said the bill primarily helps officers deal with mentally ill individuals. Use of plastic or other less lethal pellets, he said, is an effective way to control violent individuals without seriously harming them. Ranum said there were a number of accidents over the past year where mentally ill individuals were fatally shot. Speaking for the National Alliance for the Mentally Ill, Tom Johnson said he supports the bill, although, whenever possible, he prefers the use of words to influence behavior.

The bill was approved and advanced to the floor.

Sen. Grace Schwab (R-Albert Lea) carried S.F. 1712. The measure clarifies provisions of the predatory sex offender registration law. Schwab said the bill addresses out-of-state offenders who are living in Minnesota. Under current law, offenders must register in this state if they have committed a registrable offense in another state, if they enter this state to live, work, or attend school and if ten years have not elapsed since they were released from confinement, or, if not confined, since conviction or adjudication. S.F. 1712 strikes the ten year time frame. Speaking for the BCA, Amber O'Neil said that offenders from other states who have been sentenced to lifetime registrations can come to Minnesota and be required to register for only 10 years.

Ranum offered an amendment to change provisions in the law that require lifetime registration for juvenile offenders. The amendment provides that except for juveniles adjudicated delinquent for an offense of first-degree murder while committing or attempting to commit first or second degree criminal sexual misconduct with force or violence, first-time juvenile offenders will not have to register for the remainder of their lives. Ranum said that judges were hesitant to impose lifetime registration requirements for juveniles who commit a first-time offense. She said the amendment returns the law to

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the ten-year requirement. The amendment was adopted. The bill was approved and advanced to the floor.

## E-12 Education Budget Division

### Recruitment, retention and training bills heard

The E-12 Education Budget Division met Weds., Apr. 11, to hear bills pertaining to teacher loan repayment plans, recruitment, mentoring and retention. All bills were held over for consideration in the omnibus bill.

Sen. Sandra Pappas (DFL-St. Paul) authored S.F. 1813, a bill providing grants for collaborative urban educator training. Pappas said the bill requires an amount equal to at least one percent of the basic revenue be reserved for teacher mentoring and teacher induction programs. Additionally, the same amount must be reserved for in-service education for programs for staff development plans, which include plans for challenging instructional activities and experiences for curriculum development and programs. Other staff development plans receiving funding include in-service education, teachers' workshops, teacher conferences, and substitute teachers staff development.

Pappas said school districts in statutory operating debt are exempt from reserving the basic revenue under the bill. Additionally, the bill allows for waivers of the revenue and allocation amounts and the school board may withhold a portion of the initial allocation of revenue if the staff development outcomes are not being met. Another specifications in the bill requires school districts to use reserved revenue for teacher mentoring and teacher induction programs to provide service to teachers who have spent five or fewer years in the district.

Pappas said the urban educator programs at the University of St. Thomas, Hamline University and Concordia have been very successful at training minority teachers and placing them in urban schools. She said the program allows minority students to be taught by teachers who reflect their culture and understand their needs.

Sen. LeRoy Stumpf (DFL-Thief River Falls), division chair, authored S.F. 1978, a bill providing a non-traditional agriculture magnet program. Under the bill,



*Laptop computers provide Senators with instant access to pertinent information during a Senate floor session Tues., Apr. 17.*

Photo by David J. Oakes

\$562,000 is allocated to establish an open learning network for agriculture and natural resources education in Northwest-minnesota.

Adawn Melby, a teacher from Thief River Falls, said 11 school districts will be included in the new program, which revitalizes agricultural education by offering classes in natural resources, environmental science, horticulture, agribusiness and animal management. The program also allows students to earn college credit and stay in their own districts, she said. Superintendent Ron Paggen, from Marshall County Central

High School, said he supports the bill because the Northwest region of Minnesota is an important agricultural region of the state and training is needed to keep people in the area who know all facets of farming and agriculture.

Sen. James Metzen (DFL-South St. Paul) authored S.F. 2165. Metzen said the bill appropriates \$450,000 to ISD 199, Inver Grove Heights, for a pilot project to develop and implement a library of computer on-line courses for students. He said the two-year pilot project includes design and development of an electronic template that teachers will use to develop

and implement a library of courses for students in the Inver-Grove, West St. Paul-Mendota Heights-Eagan and Mahtomedi school districts. A professional development program for participating teachers is also a part of the project, he said.

Rich Ahlers, Simley High School principal, said the on-line classes offer a way to expand curriculum of low incident classes such as Chinese and Russian and removes the time constraints of a normal school day because students can access courses any time, year-round.

S.F. 2231 was presented by Sen. Jane Krentz (DFL-May Township). The bill modifies a teachers' grant program that promotes professional teaching standards and also provides for a school district grant program to promote professional teaching standards. Krentz said the bill establishes a \$1.560 million teacher grant program to provide eligible teachers with the opportunity to receive national board for professional teaching standards certification and to reward teachers who have already received certification.

She said teachers are eligible for a grant if they have been a licensed K-12 teacher at a state school for at least five school years and can demonstrate that the national board for professional teaching standards has accepted them as a candidate for board certification or that they already have received board certification.

The matching grants of up to \$1,000 each may be awarded to teachers who are accepted as candidates for the board's certification, provided that any grant money is matched by an individual school district, professional organization or the candidate. Teachers who are already board certified may also receive grants in the amount of \$3,500 and teachers who have already received \$1,000, through the previous program, will receive \$2,500 upon earning re-certification to ensure grant equity. Krentz indicated the grants will be used for educational purposes or realizing professional development opportunities.

Further, said Krentz, school districts may receive up to \$3,000 per nationally board certified teacher, to enable them to mentor, coach, or coordinate teachers in high-need schools, or to advance national board for professional teaching standards initiatives in the district. Districts will award a grant of \$1,000 to the teacher and \$2,000 for support costs related to the teacher's work, she said. Jan Alswager of

Education Minnesota said "We need to capitalize on the learning and knowledge of established teachers and we believe it dove-tails well with the mentoring program."

Another teacher grant program was presented by Sen. Julie Sabo (DFL-Mpls.). S.F. 1500 appropriates \$600,000 to Augsburg College for a teacher preparation program to educate teachers of students with emotional and behavioral disorders (EBD). Sabo said the program is coordinated with the Minneapolis and St. Paul School Districts and allows para-professionals, currently working with EBD students, to obtain an undergraduate degree while in service. She said, "By drawing on people who have moved toward the EBD direction, there is a greater chance for teacher retention after licensure is obtained."

Vicki Olson, a representative from Augsburg College, said Augsburg College presently enrolls 1,000 students in its 20 year-old weekend program. She said the special education segment of the program begins next fall with 32 students. Flexibility is built in to the schedule to allow students to attend classes after work.

Sen. Twyla Ring (DFL-North Branch) authored S.F. 2182, a bill clarifying the continual learning plan and ensuring a pupil enrolled in a learning year program has sufficient time to complete district graduation requirements. The bill also outlines a process to correct audit findings and prohibit penalties if the commissioner determines the findings are not correct. Ring said, "Some aspects of the law's language were misunderstood by the North Branch School District and we want to clarify it to promote better communication between schools and CFL."

Sen. Kenric Scheevel (R-Preston) authored S.F. 2173, a bill that concentrates a portion of reserved revenue for staff development on induction and mentorship activities for new teachers. Scheevel said the bill directs districts to reserve an amount equal to at least one percent of the basic revenue for teacher mentoring and induction programs, and an amount equal to at least one percent for in-service education for staff development. The staff development plans encompass plans for challenging instructional activities and experiences and for curriculum development. Other programs included are other in-service education, teachers' workshops, teacher conferences

and the cost of substitute teachers staff development.

S.F. 670, a bill authored by Sen. Grace Schwab (R-Albert Lea), improves recruitment of excellent teachers in science, math, industrial technology and special education in rural Minnesota by establishing a loan repayment program. Schwab said the bill creates a new account for teacher loan repayment in an effort to retain teachers and bring them to rural Minnesota. "We lose one third of our teachers in the first three years and other bills don't address that decline. The effort put forth by the governor and CFL, in the governor's budget proposal, doesn't address the decline."

Under the bill, program participants must have graduated from an approved teacher preparation institution within 12 months of submitting an application, have a minimum grade point average of 3.0 in the areas of math, science, industrial technology or special education and must be licensed to teach in one of these fields.

Teachers licensed in the areas of math, science, industrial technology or special education are also qualified for the program if they are first time teachers in the state, have been placed on unrequested leave of absence, have been terminated as a result of a discontinued position or lack of pupils, or have a non-renewed probationary teacher contract and are employed by another school district.

Under the bill, the loan repayment program awards qualifying applicants up to \$1,000 at the end of the first year of successful teaching and \$3,000 if applicants taught in rural Minnesota. At the end of the second and third years of successful teaching, applicants receive \$3,000 and \$5,000, respectively and rural teachers are awarded \$5,000 and \$7,000, respectively. Alswager said, "The purpose of the bill is to attract the best and the brightest to the teaching profession."

Sen. Linda Scheid (DFL-Brooklyn Park) authored S.F. 2259. Alswager, said Scheid's bill has a mentoring component, otherwise the bill is identical to Schwab's bill, S.F. 670. The mentoring component directs school districts, special education cooperatives and state residential schools to establish a mentoring program to provide support and training for probationary teachers. Costs associated with the mentoring component of the bill are directed to come from the district's basic revenue.

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## General ed bill discussed

The E-12 Education Budget Division met Weds., Apr. 18, to hear a bill presented by Sen. LeRoy Stumpf (DFL-Thief River Falls), division chair, and to approve sections of article 5 of the general education bill.

S.F. 2180, carried by Stumpf, proposes a \$415 per-pupil transfer from the transitional, supplemental and referendum allowances to the basic education funding allowance. Stumpf said the measure is an effort to more accurately reflect the actual costs of per-pupil education in the basic funding allowance. He said the division will vote on the bill at the next meeting after they have had a chance to discuss the merits of the bill.

The panel then took up Article 5 of the general education bill. Stumpf said a working document is needed for the division to use during funding decision discussions. Therefore, sections of the bill not affected by measures in S.F. 2180 were approved by the panel.

## Higher Education Budget Division

### Access bills debated

The Higher Education Budget Division met Wed., Apr. 11, to consider a number of bills addressing issues of access to post-secondary education. Three of the access bills address the existing tuition grant program. Sen. Martha Robertson (R-Minnetonka) presented a bill that devotes a small amount of available grant money to high school students who participate in advanced placement (AP) or international baccalaureate (IB) programs. The relationship between state grants and Pell grants is addressed in a bill authored by Sen. Dave Kleis (R-St. Cloud). A bill sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.) makes fundamental changes that are intended to make access to college an entitlement for all students who do well in high school.

Robertson said her bill, S.F. 2103, encourages more of the state's better students to stay in Minnesota for college. She said that, currently, 40 percent of students who take AP classes end up attending college outside the state. Under her bill, up to one percent of the state grant money may be used for merit-based grants for AP and IB graduates, and the bill specifies the number of courses and level

of success the students must attain. Sen. Steve Kelley (DFL-Hopkins) said if colleges and universities had more money for merit-based scholarships, the bill would not be necessary. Robert Poch from the Higher Education Services Office said poor students will suffer under the bill because it draws its funding from the need-based grant program.

S.F. 561, the "Pell pass-through" bill by Kleis, changes the way in which students' state grants are affected by the federal Pell grant. Kleis said the state's current practice of reducing each state grant by the amount of a student's Pell award places a burden on low income students, particularly those who attend two-year schools. Under the bill, the Pell amount used when calculating state grants is frozen so that any Pell increases in the future are passed through to students. Representatives of student groups, MnSCU and Education Minnesota testified in favor of the bill, saying that the current system ends up giving aid to students in higher income brackets where it is not needed as much. Kleis said Congress' intent is that Pell increases should not cause reductions in state grant programs.

Sen. Cal Larson (R-Fergus Falls) and Chair Deanna Wiener (DFL-Eagan) said the implication that the state is misusing the Pell program is misleading because the state has always aggressively sought to provide higher education aid. Kelley said that all students get their full Pell awards and that the state grants are reduced to redistribute the funding to low-income students in other ways. Poch agreed, saying that the state grants might cover expenses the Pell grant isn't allowed to be used for, or to support students who, for legitimate reasons, take longer than four years to get a bachelor's degree. He added that a recent study of aid programs for low-income students named Minnesota as one of only five states to receive the top rating.

The language of Pogemiller's bill, S.F. 2077, only makes one change to the existing statute concerning the state higher education grant program. The bill adds a requirement that grant recipients achieve a 3.0 grade point average in high school. He said the bill was drafted not to encompass a complete plan, but instead to raise the issues of merit-based aid and of higher education as an entitlement. He said California has made higher education a merit-based entitlement, but added that there are aspects of Minnesota's existing

program that should be preserved. He said the change in California was supported with a vast increase in funding for school aid. A promise should be made to all students in the state, Pogemiller said, that a college education will be provided if they do well in high school. Representatives of schools that serve low-income populations spoke in favor of the bill, saying that a real promise of college aid will motivate their students to higher levels of achievement. Leon Cooper, a consultant and former teacher, said the costs to society are overwhelming when people do not have a birthright to career, professional or academic training beyond high school.

Kelley said the state currently directs all of its support to the kinds of students the witnesses serve, and added that the bill takes limited funds available and gives it to students whose families do not need as much support. Whether they know it or not, Kelley said, low-income students are promised funding for college under the current grant system. Pogemiller said competition for limited funding is not a problem if the amount of funding were to be adequately increased to fund the aid as a true entitlement. He said the concept of the bill will motivate political support from middle class families so that funding can be increased to serve more students.

Sen. Warren Limmer (R-Maple Grove) said under the bill, a low-income student with a 2.9 average would not get a grant but a wealthier student who had a 3.0 would get a grant. Pogemiller said the idea is to devote the funding primarily to students who show the greatest promise of doing well. Sen. Steve Murphy (DFL-Red Wing) said the bill closes access to a lot of students who, despite their performance in high school, can thrive in trade or technical schools. Pogemiller said Murphy's concern illustrates the need for the aid to be an entitlement, promised to all students, which is only possible with a major increase in funding. He said Minnesota is well positioned to move towards the policy he is suggesting. "We need to commit the money and get hard-nosed about achievement," Pogemiller said.

Members considered two bills that affect in-state and out-of-state tuition. Sen. Sheila Kiscaden (R-Rochester) presented S.F. 1563, a bill that allows certain new residents of Minnesota to qualify for in-state tuition. Kiscaden said people who are moved here because of their jobs should not have to wait to be eligible for in-state

tuition. She said the bill is good for job growth and has a nominal fiscal impact. Kelley presented a bill, S.F. 1803, that ends current tuition reciprocity agreements with border states. Kelley said that, like Pogemiller's bill, S.F. 1803 does not present a finalized plan but instead is intended to foster a discussion about competition among states, tuition rates and student choice. He said new ways of looking at the issues, including technology-based distance learning, might fundamentally alter the nature of in-state tuition or reciprocity.

All of the bills related to access were laid over for further consideration and possible inclusion in the division's omnibus bill. Two final two bills considered and laid over by the division were S.F. 2078, carried by Kelley, and S.F. 343, authored by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids).

S.F. 2078 appropriates \$1 million each to MnSCU and the University of Minnesota for redesign of courses and curriculum, particularly basic courses that are taught in exceptionally large sections. Kelley said the redesign grants provided in the bill have a dual purpose of improving quality and reducing cost. The bill specifies that the grants must result in redesign that creates savings to make up for the cost of the grant.

Kinkel's bill provides \$5 million to support new program development at technical and community colleges. He said the bill requires a match to encourage a commitment to the development on the part of the college or university involved.

## Environment and Agriculture Budget Division

### Water planning supported

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), heard a variety of funding requests Weds., Apr. 11. Several requests related to water control issues. S.F. 734, carried by Sen. Becky Lourey (DFL-Kerrick), raises the amount of the base grant for local water plans from \$37,500 to \$75,000. The bill also raises the minimum water implementation tax that must be levied by counties to receive the base grant. Richard Noyes, Pine County Soil and Water Conservation District, said that while the county has done much with an annual \$37,500 grant, inflation has eroded

the grant's purchasing power. The bill was set aside with the understanding that Lourey will re-refer the measure to the Tax Committee during the next floor session.

The division heard five more bills, all of which were set aside to be considered for inclusion in the omnibus funding bill. Sen. John Hottinger (DFL-Mankato) carried S.F. 1177. The bill appropriates \$50,000 to study the feasibility of repairing or removing the Rapidan Dam in Blue Earth County. Kent Lokkesmoe, Department of Natural Resources (DNR), said removal is the best long-range solution, but local residents are concerned because the dam reservoir is used for recreation.

S.F. 595, authored by Sen. Dennis Frederickson (R-New Ulm), provides assistance to the unincorporated town of St. George in Nicollet County. Shirley Wendiger, West Newton Township Clerk, said the town recently installed a sewer system that greatly exceeded the estimated price and led to a cost of \$20,000 for the approximately 28 homes in the town. Many of the homeowners are retired and living on fixed incomes, she added, and the state is their last resort for help. The bill provides a \$230,000 reimbursement to the town.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented S.F. 1284. The bill continues development of the proposed Mississippi Whitewater Park in Minneapolis, appropriating \$333,000 to match federal funding for preconstruction design activities and \$350,000 to provide staff for project management and real estate acquisition. The park will restore economic viability in the area, clean up old industrial sites and pay for itself once built, Pogemiller said.

S.F. 1248, carried by Sen. Steve Murphy (DFL-Red Wing), appropriates \$4.8 million over the biennium to continue the dairy diagnostics program. Dairy farmer Delbert Mandelko said the program brings a team of experts out to the farm to help producers improve their management practices. "Dairy Diagnostics is cost effective and it works," Murphy said. He added that the program is the top funding priority for the Agriculture, General Legislation and Veterans Affairs Committee.

Sen. Randy Kelly (DFL-St. Paul) authored S.F. 614. The bill appropriates \$7.1 million to complete cleanup at the Pig's Eye dump in St. Paul. The site served as an unpermitted dump for 25 years, Kelly

said, before closing in 1974. He said the first phase of cleanup removed heavy metals and chemicals from the site, and further work will turn the area into a park. Members adopted an amendment to take the bulk of the funding from the Solid Waste Fund.

### Red River funding requests heard

The Environment and Agriculture Budget Division heard fifteen bills in a marathon hearing Tues., Apr. 17. All of the bills were set aside to be considered for inclusion in either the omnibus funding bill or a bonding request bill to be referred to the Capital Investment Committee. Division Chair Leonard Price (DFL-Woodbury) presided.

Sen. Keith Langseth (DFL-Glyndon) started the hearing by presenting three bills related to the Red River of the North. S.F. 1402 appropriates \$234,000 for projects to prevent flood damage in the Red River Basin. The Agassiz Valley project, Langseth said, has the greatest need for funding this year. The project could be included in an emergency bonding bill, he added.

S.F. 1828 designates a 400-mile stretch of the Red River as a canoe and boating route. Because of the length of the route, it will cost approximately \$100,000 to mark and map the river and develop campsites and accesses, Langseth said.

S.F. 1403 appropriates \$200,000 over the biennium for grants to the Red River Basin Board. Chuck Fritz, program manager for the board, said the board works as an interjurisdictional organization to develop a comprehensive water management plan for the area. Under the bill, the appropriation must be matched by proportionate sums from North Dakota, South Dakota, and the province of Manitoba, he added.

Sen. LeRoy Stumpf (DFL-Thief River Falls) also presented a bill related to the Red River. S.F. 1997 appropriates \$50,000 for a hydraulic study of the river north of Grand Forks. Fritz said the northern portion of the river has nuances that differ from sections of the river that have been more extensively studied.

Stumpf also carried S.F. 2177. The bill appropriates \$50,000 to reimburse farmers for losses due to anthrax that are not covered by insurance. Stumpf said an outbreak in 2000, probably caused by flooding, led to the death of about 30 head of cattle. He presented written

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testimony on financial losses due to cattle death, veterinary costs, and disposal of carcasses.

Langseth presented two more bills to the division. S.F. 26 makes \$30 million available for projects in municipalities that are unsewered or whose sewer systems need updates. Terry Kuhlman of the Public Facilities Authority presented a lengthy list of towns that have requested state aid for wastewater treatment. The bill is also a candidate for bonding, Langseth said.

Sen. Douglas Johnson (DFL-Tower) objected to the system the agency uses to prioritize projects. Municipalities located near cleaner bodies of water receive a lower ranking, he said. Johnson offered an amendment changing the ranking system so that projects located near water with outstanding resource value, particularly Lake Superior, receive a higher ranking. Price said the amendment makes a policy decision that should not be dealt with in a budget division. Johnson withdrew his amendment.

Langseth also carried S.F. 463. The bill appropriates \$740,000 for a grant to the Farm Wrap Program. Kay Hegge of the Northwest Regional Development Commission said the program helps farmers who are forced to abandon the farm as a result of flooding or foreclosure. The service provides counseling support and legal advice, and connects farmers with resources to help in the transition process, she said.

Sen. Satveer Chaudhary (DFL-Fridley) carried S.F. 1946, a bill appropriating \$50,000 for a pathway system to connect the city of Mounds View to Rice Creek. Mayor Rich Sonterre said the project will connect a number of unique wetland ecosystems, providing an educational resource for area schools.

Johnson presented S.F. 1778, a bill providing \$198,500 for emergency communications equipment in Cook, Lake and St. Louis Counties. Johnson explained that the 1999 blowdown in the Boundary Waters Canoe Area left the area vulnerable to wildfires. New radio and dispatching equipment is needed to ensure that visitors and residents can be safely evacuated, he said. Price said bonding is a possibility for financing the improvements.

Sen. Don Betzold (DFL-Fridley) had two bills before the division, both addressing water quality issues. S.F. 476 appropriates \$379,000 for a grant to the city of

Fridley for a project in the Springbrook subwatershed. Judy Jones, environmental planner for Fridley, said that wetland vegetation is deteriorating in the Springbrook Nature Center, which lies just upstream of drinking water intakes for Minneapolis and St. Paul. The Pollution Control Agency (PCA) lacks funds to complete the second phase of the cleanup project, she said. A second bill, S.F. 1838, takes a broader approach to solving the problem by appropriating \$4.08 million to the PCA for clean water partnership grants. Of that amount, \$1.23 million is earmarked for feedlot grants.

Sen. Ellen Anderson (DFL-St. Paul) also presented two bills. S.F. 2200 provides \$4.02 million to the PCA to fund a variety of air quality programs. Anderson said the highest priorities are \$285,000 to add toxic air pollutant monitoring sites, \$250,000 to examine and make recommendations on high risk sources of pollution such as printing shops and dry cleaners, and \$83,000 for a comprehensive air emissions inventory. Recognizing budget constraints, she agreed to an amendment deleting all but the highest priority projects, reducing the total request to \$618,000. The deleted portions involve proposals to promote the use of clean and fuel efficient vehicles.

Anderson's second bill allocates \$1.1 million to establish a park in the Trout Brook area of St. Paul. Lorrie Louder of the St. Paul Port Authority said the project is part of the city's comprehensive plan, and creates new park and trail areas within city limits, as well as serving as a wildlife corridor. Price said bonding may be used to finance the project.

S.F. 1972, authored by Sen. Steve Dille (R-Dassel), appropriates \$250,000 annually for a grant to promote the creation of an agricultural product shippers organization. Small farmers and elevators have trouble finding a port to ship products for direct marketing to overseas buyers, Dille said. He said the project has a particular focus on the marketing of identity preserved products, such as organically grown crops.

Finally, Sen. Charles Wiger (DFL-North St. Paul) presented S.F. 1356. The bill creates a \$200,000 environmental assistance revolving account. Loans from the account will provide an impetus for businesses to use products responsibly in light of the fact that recycling by business and industry has reached a plateau, Wiger said.

## Twenty-three bills heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), continued hearing funding requests in a marathon effort Weds., Apr. 18. Members acted on two bills. The remaining 21 bills were set aside for possible inclusion in the omnibus funding bill or the division's emergency bonding recommendations. Several bills were also directed toward alternate funding sources, since the total requests before the division greatly exceed the division's spending target.

Sen. Chuck Fowler (DFL-Fairmount) began by presenting S.F. 569, a bill appropriating \$500,000 to the Blue Earth County Soil and Water Conservation District for the Quad-Lakes project. The funds will purchase 155 acres of wetland areas and provide materials for shore land restoration and installation of buffer zones, Fowler said. Bob Brush, speaking for the project, said all the work is done by volunteers. The project involves a walking trail and opportunities for bird watching, he added.

Sen. Steve Murphy (DFL-Red Wing) had three bills before the division. S.F. 2084 appropriates \$7 million for a loan to an ethanol processing facility planning to construct a germ and fiber recovery unit. "This is a project that will make a lot of our dry mill ethanol plants a lot more efficient," said Warren Formo of the Minnesota Corn Growers Association. He said the new unit will allow plants to separate the corn grain into components suitable for plastic and fiber products.

S.F. 1659 makes several policy changes regarding oversight of feedlots. The only fiscal impact of the bill is a provision transferring authority for dairy inspection from the Pollution Control Agency (PCA) to the Dept. of Agriculture (MDA). Murphy said the PCA opposes putting the transfer in statute, since it is already in process. Sen. Kenric Scheevel (R-Preston), who authored the provision, said he hopes to expedite the transfer of authority. Dairy inspectors visit farms twice a year, he said, so the change may lead to greater compliance with regulations. Members adopted an amendment deleting the provision and advanced the bill, which no longer has a fiscal impact, to the full Finance Committee.

Murphy's third bill, S.F. 1383, makes technical changes to simplify the petroleum tank release cleanup fund

(Petrofund). The bill eliminates two categories for reimbursements and increases reimbursements for certain bulk plants located on railroad right of ways. James Pearson of the Dept. of Commerce said the changes result in an annual \$153,000 increase in Petrofund expenditures. The bill was approved for inclusion in the omnibus bill.

Sen. Dean Johnson (DFL-Willmar) presented S.F. 1405, a bill establishing the Minnesota River Trail to connect Big Stone State Park in the west to Fort Snelling State Park in the east. The bill reauthorizes \$1.4 million for trail development. Geoff Hathaway of Montevideo spoke in support of the bill, citing the resources that Chippewa County has put into initial stages of the project and the tourism it will bring to the southwestern area of the state. Donna Halvorson, a landowner along the trail, opposed the bill on the grounds that it will adversely affect the livelihood and privacy of landowners. Many landowners from the area are frustrated by the project, she said.

A live bald eagle was on hand to win support for S.F. 717, authored by Sen. Dennis Frederickson (R-New Ulm). The bill appropriates \$270,000 to the Raptor Center at the University of Minnesota to determine why so many bald eagles have lead poisoning. Mark Martell, coordinator of the program, said the center will sample eagles for lead and place satellite tracking devices on 12 birds.

Frederickson also presented S.F. 601. The bill provides \$500,000 for a grant to the Regional Sludge Joint Powers Board, which involves several cities in Meeker, Wright and McLeod Counties. Lowell Enerson, city administrator for Arlington, said the grant will pay 30 percent of the cost of a belt press to de-water liquid sludge. Small facilities have trouble transporting and storing liquid sludge, Enerson said, especially when farmers refuse to spread the sludge on fields because of wet conditions.

Sen. Charles Berg (R-Chokio) presented two bills intended to help the Hancock Pro Pork facility in Southwest

Minnesota pay for an environmental impact statement (EIS). S.F. 2069 appropriates \$215,500, and S.F. 2071 provides \$1 million, for environmental assessments of feedlots. The bills contain eligibility requirements that single out the Hancock facility. David Paul of Hancock Pro Pork said the facility received a permit from the PCA and complied with all regulations during construction, but was subsequently sued and required by court order to perform an EIS. The facility operates cleanly but can't afford an EIS, Paul said. Representatives of environmental groups testified against the bill, saying that taxpayers should not subsidize environmental compliance in industry. Members adopted an amendment, offered by Berg, incorporating elements of S.F. 2071 in S.F. 2069. S.F. 2071 was then tabled.

Sen. Kenric Scheevel (R-Preston) also carried a bill addressing the impact of feedlots on the ecosystem. S.F. 2068 appropriates \$400,000 for a geological survey of the karst region of Southeast Minnesota. The survey will serve as a site-



*With Sen. Twyla Ring (DFL-North Branch) observing, Nell Henry displays a bald eagle to members of the Environment and Agriculture Budget Division Weds., Apr. 18, in an appeal for additional funding by the University of Minnesota Raptor Center.*

Photo by David J. Oakes

# Committee update

specific EIS for the area and give priority to sites proposed for livestock facilities, Scheevel said. Members adopted an amendment clarifying the agencies responsible for the study.

Scheevel presented two more bills. S.F. 1359 appropriates \$3 million to construct a solid waste fuel cleaning facility serving Olmsted and Dodge Counties. Rob Dunnette, plant manager for the waste energy facility, said the system will take metals, cardboard and plastic out of the waste stream, providing safer fuel for incineration. Price said bonding is a more viable funding mechanism for such a large amount.

S.F. 1600 provides \$1.892 million to Southeastern Minnesota counties that have been damaged by floods. The funding will support projects to repair and expand flood mitigation measures and secure easements on farmland within the 100-year flood plain, according to Bev Nordby of the Mower County Soil and Water Conservation District. Price said the easements may be funded through bonding.

Sen. Randy Kelly (DFL-St. Paul) carried S.F. 1112. The bill allocates \$8 million in bond proceeds to acquire 58 acres in St. Paul for a greenway corridor from Maryland Avenue to Warner Road. A bill carried by Sen. Ellen Anderson (DFL-St. Paul) provides funding for a portion of the project, Kelly said. Carol Carey of the Lower Phalen Creek Steering Committee said the project reclaims urban brownfields, connects regional trails and improves water quality in the city. Kelly said at least \$1.6 million is needed for initial land acquisition.

Sen. Douglas Johnson (DFL-Tower) presented S.F. 833, a bill providing \$100,000 for improvements at the Knife River harbor on Lake Superior. The harbor is being transferred to the Dept. of Natural Resources (DNR) this spring and needs some improvements to ensure safety, Johnson said. Members adopted an amendment to take the money from the water recreation account in the natural resources fund.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) carried two bills before the division. S.F. 2085 allocates \$7.929 million in bond proceeds for a grant to the city of Bemidji for site acquisition and construction of the Headwaters Science Center. Laddie Elwell, director of the center, said it has been operating for seven

years, with little help from the state, in a building from the 1920s that has no parking space and is not handicapped accessible. Under the bill, the grant is contingent on \$6.52 million from non-state sources. Price said the bill is a good candidate for 2002 bonding.

S.F. 1270 prohibits the removal of sunken logs from state waters and appropriates \$100,000 for a pilot project to study the impact of log removal. A bill was passed last year allowing removal, Kinkel said, but lake residents objected because too little research was done on the ecological impact of the project. Michelle Beeman, DNR, said the appropriation is not nearly enough to fund the entire pilot project. Members adopted an amendment making the PCA, rather than the DNR, responsible for the study.

Sen. Linda Higgins (DFL-Mpls.) presented three bills to the division. S.F. 1568 appropriates \$450,000 for construction of a portion of Bassett's Creek Trail to connect the Cedar Lake and Luce Line Trails in Minneapolis. Dick Adair of Minneapolis said project developers were as frugal as possible in plotting the route of the trail and now would like state funding to match local contributions. Price said the project could be funded through bonding or the DNR regional trail program.

S.F. 1465 appropriates \$134,000 for restoration of Powderhorn Lake in Minneapolis. The funds will be used to revegetate the shoreline, aerate the lake and improve water quality, according to Jeff Lee of the Minneapolis Parks and Recreation Board. The lake is the primary opportunity for fishing and water recreation in the area, Lee said.

Higgins' third bill, S.F. 1832, provides \$275,000 over the biennium in grants to help nonprofit organizations redevelop brownfield property. Michael Welch of the Minnesota Environmental Initiative said the program helps organizations develop sites close to the communities they serve, in situations where a gas station or a dry cleaning business may have formerly occupied the site.

Sen. Sandra Pappas (DFL-St. Paul) carried S.F. 1957, a bill requiring the Office of Strategic and Long-Range Planning to develop guidelines for sustainable development of business districts along rivers in the state. The bill has a \$25,000 fiscal impact, she said. Steve Reckers of the Minnesota Planning Department said the effort will evaluate

existing laws and identify the procedures necessary to guide business, residential and recreation development in urban river areas.

Sen. David Tomassoni (DFL-Chisholm) presented S.F. 252, which provides unemployment insurance for temporary firefighters, known as "smokechasers." Smokechasers are considered emergency employees and receive no unemployment insurance, Tomassoni said, although the wildfire season occurs every year. Dana Linscott of the Minnesota Wildland Firefighter's Association said the bill is necessary to remove a disincentive for firefighters to work for Minnesota. A DNR fiscal note estimates the cost of the bill at \$288,000 per year, but Linscott contended the cost is closer to \$100,000 and will be offset by the savings of retaining experienced firefighters.

Sen. Charles Wiger (DFL-North St. Paul) carried the final two bills before the division. S.F. 222 appropriates \$1.4 million to reimburse parties involved in the cleanup of the Empire Builder property in St. Paul. Lorrie Lauder of the Port Authority of St. Paul said the PCA approved the site for development, but the discovery of lead and asbestos led to unexpected expenses.

S.F. 1152 appropriates \$200,000 to acquire easements and leases necessary to extend the Bruce Vento Regional Trail in Ramsey County. Ramsey County Commissioner Victoria Reinhardt said the project will cover four miles between Beam Avenue and Highway 96, and is part of a master plan for lake trails. Price suggested the project may receive funding in the 2002 bonding bill.

## Health, Human Services and Corrections Budget Division

### Mental Health Act considered

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Weds., Apr. 11, to consider eight bills.

Berglin carried S.F. 754, a comprehensive mental health initiative recommended by the Mental Health Legislative Network, a consortium of mental health advocacy and provider organizations. The measure attempts to develop, enhance and expand mental health services. An amendment was adopted to revise provi-



sions related to suicide prevention, including suicide prevention goals, related educational efforts, community-based programming, reporting, crisis response and prisoner discharge plans. Berglin said the administration's budget request totaled \$2.2 million for appropriations related to the bill.

National Alliance for the Mentally Ill Assistant Director Tom Johnson was questioned concerning priorities. Johnson said the number one priority is court ordered treatment through Medical Assistance (MA) Basic Families and Children and GAMC programs. A second priority, he said, is rebasing outpatient rates for Basic Elderly Disabled, MA Basic Families and Children, MinnesotaCare and GAMC. He said the number three priority includes grants and continuing mental health care for discharged prisoners. A fiscal note estimates costs of \$32.479 million for FY 2002; \$66.706 million for FY 2003; \$81.635 million for FY 2004; and \$100.125 million for 2005. The bill was laid over for further consideration.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 691, a measure appropriating \$15 million for day training and habilitation services covered under Medical Assistance. Lourey said counties are currently required to cover day training and habilitation but have not been funded to do so. Under the bill, the Dept. of Human Services (DHS) is required to seek a federal day services waiver to supplement the state contribution. The committee approved the bill and referred it to the full Finance Committee.

Lourey also authored S.F. 1361. The bill creates a loan forgiveness program for dentists who agree to provide services for state public assistance program participants and other low to moderate-income individuals. The program requires that dental students must agree to serve a minimum 3-year service obligation during which at least 15 percent of the dentist's yearly patient accounts are provided to public program recipients or patients receiving sliding fee schedule discounts. The bill creates a Dental Access Advisory Committee to make recommendations on activities and initiatives that increase access to dental service and creates an enhanced reimbursement rate for dental care providers. The annual cost for FY 2002 totals \$184,196; \$317,466 for FY 2003; \$457,466 for FY 2004; and \$597,466 for FY 2005. The bill was laid over.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 1331, another measure that addresses the oral health crisis in Minnesota. The bill establishes a dental practice donation program coordinated by DHS. Under the bill, a donated dental practice must be located in a designated underserved area of the state and be equipped with the basic dental equipment necessary to maintain a dental practice. The measure requires that the commissioner coordinate the donation of a practice to a qualified charitable organization if it meets criteria in the bill and if there is a dentist who is interested in practicing at the donated site. A provision specifies that the dentist must enter into an agreement with the charitable organization to maintain the dental practice for a minimum of five years. Two provisions include the expansion of duties for dental hygienists and registered dental assistants and the establishment of a retired dentist program. Another provision clarifies Medical Assistance reimbursement for specified dental services. An amendment was adopted to clarify language and to detail the dental auxiliary training program, including the functions and duties of hygienists and assistants. The bill was laid over for further consideration.

Sen. Jane Ranum (DFL-Mpls.) authored S.F. 1145, a measure that adds new provisions to the Child Abuse Reporting Act addressing the maltreatment of a child in a facility and expands the definition of maltreatment. The bill establishes a review panel for investigating agency child maltreatment determinations and outlines reporting procedures. Under the bill, local welfare agencies are provided access to medical data and records for purposes of performing an investigation. A provision amends the duties of facility operators and establishes penalties for operators who allow conditions to exist which result in neglect, physical abuse, sexual abuse or other maltreatment. A fiscal note estimates a first year cost to the state of \$118,000. The bill was laid over.

Sen. Dan Stevens (R-Mora) presented S.F. 1767, a measure to establish an enhanced nursing facility payment rate for the first 90 days following patient admission. An amendment was adopted to establish rate formulas. For the first 30 days, the rate is 120 percent of the facility's MA rate for each case mix class; for the next 60 days the rate is 110 percent of the facility's MA rate for each case mix class; and beginning with the 91st paid day after

admission, the regular MA rate applies. Stevens said the complete fiscal note was not yet available. The bill was laid over.

Sen. Don Samuelson (DFL-Brainerd) authored S.F. 1635, a measure to expand MA assistance to cover intensive early intervention behavior therapy for autistic children. The bill authorizes appropriations for Applied Behavior Analysis, a specialized method for treating autism. The bill was laid over for further consideration.

## Budget measures heard

In addition to hearing the felony DWI bill, a number of other measures were heard at the Tues., Apr. 17, meeting of the Health, Human Services and Corrections Budget Division. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), took no formal action on the bills.

Sen. Dennis Frederickson (R-New Ulm) sponsored a bill, S.F. 1802, exempting nursing facilities in counties not currently participating in the prepaid medical assistance program (PMAP) and being reimbursed under the cost based system from restrictions on billing for therapy services. S.F. 1477, carried by Sen. Leo Foley (DFL-Coon Rapids), provides for measures to improve child support collection and enforcement and provides civil penalties. The bill specifies that the commissioner may pay a financial institution up to \$150 per quarter if the commissioner and the financial institution have entered into a signed agreement that complies with federal law regarding child support collection.

S.F. 726, also sponsored by Foley, authorizes an exception to the nursing facility moratorium for a new facility in Anoka County. Foley said that currently, Anoka County is under served in terms of population and the number of available nursing home beds. S.F. 1245, authored by Sen. Linda Higgins (DFL-Mpls.), provides public guardianship alternatives for the mentally retarded. Higgins said, currently, there are 3,800 wards of the state although the numbers are declining because of age and because fewer individuals are being made wards. The bill allows for guardianship service providers in order to avoid a potential conflict of interest if one person performs the duties of a case manager and a guardian.

Several bills relating to MinnesotaCare were heard. S.F. 871, carried by Sen. Becky Lourey (DFL-

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Kerrick), modifies the definition of employer-subsidized insurance under MinnesotaCare, provides exemptions from the four-month uninsured requirement and repeals a prohibition on coverage in the same month. S.F. 848, authored by Sen. Dallas Sams (DFL-Staples), excludes families and individuals from the 18 month employer-subsidized coverage barrier if the family or individual reapplies to MinnesotaCare within six months of disenrollment because the employer terminates coverage. S.F. 559, also sponsored by Sams, modifies the definition of gross income for MinnesotaCare for self-employed farmers.

A third bill sponsored by Sams, S.F. 858, creates a day training and habilitation payment rate structure pilot project and extends the Rate Structure Task Force to Dec. 30, 2003.

## MFIP bill revised

The Health, Human Services and Corrections Budget Division met Weds., Apr. 18, to discuss ten bills. Sen. Linda Berglin (DFL-Mpls.), chair of the committee, carried S.F. 1724. The bill stops the 60-month time limit on assistance for MFIP participants who are earning income and participating in work activities for a specified number of hours or who are in an education or training program combined with work activities for a specified number of hours and who fall under one of the categories of individuals who are exempt from participating in MFIP employment and training activities.

The measure indexes the MFIP level at 130 percent of the federal poverty guidelines and strikes language that requires the earned income disregard to be the same percentage as the disregard implemented in October 2000. An amendment was adopted to appropriate \$1.810 million from TANF block grant funds for training and employment grants and \$5 million per year for welfare-to-work programs that have utilized all federal welfare-to-work funding previously received.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment, which was adopted to provide participant performance bonuses, including cash bonuses for eligible participants enrolled in employment and training services with continuous employment of at least 20 hours per week for 6 months (\$200) and for employment that leads to earnings sufficient for a

caregiver to transition off of MFIP and stay off for six months.

Another amendment was adopted to specify exemptions for qualifying families, including those earning income and participating in work activities for at least 40 hours per week for a 2-parent family and 20 hours per week for a single-parent family with a child under age 6. The amendment makes provisions for extending the 60-month time limit when TANF assistance has been exhausted, dependent upon meeting MFIP compliance requirements and approval following a county review process.

Another welfare-related bill was presented by Berglin. S.F. 1606 deletes language in current law that limits the Minnesota food assistance program to noncitizens who are age 50 or older beginning July 1, 2002. The measure also repeals the \$100 housing penalty which counts the first \$100 of a housing subsidy as unearned income for purposes of MFIP eligibility.

Other portions of the bill repeal provisions of the systematic alien verification entitlements (SAVE) federal program and repeals provisions that sunset benefits for persons receiving GA, GAMC and GRH whose basis for eligibility is drug and alcohol dependency and who have been denied benefits for SSI due to changes in federal law. The bill also repeals provisions that sunset GA cash benefits for specified non-citizens and repeals provisions that sunset state-funded MFIP cash and food benefits for non-citizens.

Berglin also carried S.F. 1070, the long-term care task force initiative. The measure implements the report of the task force and includes provisions from the Dept. of Human Services (DHS) long-term care bill. Portions of the bill relate to consumer information and community-based care, the elderly waiver program, long-term care system reform and reimbursement, workforce recruitment and retention, regulation of supplemental nursing services agencies and long-term care insurance.

Berglin presented an amendment to specify loan forgiveness program funding sources for nurses providing services in a nursing home, intermediate care facility for persons with mental retardation or a home health care agency. Berglin also offered amendments to detail nursing facility rate increases and raises to nursing facility private pay rates. Another amend-

ment specifies that background study fees conducted on employees of supplemental nursing services agencies are capped at \$8 per report. Other amendments were also adopted to clarify requirements for operational changes of long-term care facilities, facilities closure plans and various technical amendments.

Sen. Ann Rest (DFL-New Hope) authored S.F. 1668, a bill that appropriates money from TANF for a transitional employment and training project for Southeast Asians. According to Rest, the Southeast Asian Collaborative in Hennepin County is working to provide grant funds to move Southeast Asians off welfare and into unsubsidized employment. The bill appropriates \$800,000 for FY 2002. A portion of the bill was deleted to simplify the funding mechanism.

S.F. 1522 was authored by Sen. Thomas Neuville (R-Northfield). The bill amends the group residential supplementary rate for eligible Hennepin County facilities. The rate is equal to 125 percent of the amount specified under current law, including any legislatively authorized inflationary adjustments. The cost increase to the state is \$801,000 annually for FY 2002-FY 2005.

Berglin presented S.F. 1608, a measure addressing sanctions for two-parent families that are eligible for MFIP. The bill creates a separate state program for two-parent MFIP cases and makes provisions for compliance requirements. The food portion of MFIP grants are exempt from sanctioning under the bill.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 633, a measure that amends the MFIP local intervention grant formula that applies to grant funds used by counties to tailor services for hard-to-employ MFIP participants. Kiscaden said the bill addresses disparities in funding to counties. She offered an amendment, which was adopted, to set a guaranteed minimum \$5,000 allocation for each county or tribe that has fewer than 25 long-term dependent adults on MFIP.

The minimum allocation for each county or tribe that has more than 25 long-term dependent adults on MFIP is \$10,000 under the amendment. The amendment also changes the rate of funding from 20 percent of set-aside funds to a set amount of \$3,576 for counties or tribes whose approved plans demonstrate additional need based on identification of hard-to-employ families and other criteria.

Berglin authored S.F. 1370, a bill to expand intergovernmental transfer program (IGT). The bill increases fee-for-service payments to nonmetropolitan area hospitals to 90 percent of the metropolitan rate for specified services. It establishes a new IGT under which Hennepin and Ramsey Counties are required to make payments to the state. Berglin said the measure provides opportunities for hospitals to benefit from higher limits on uncompensated care. The bill appropriates approximately \$57.8 million. An amendment was adopted to specify Greater Minnesota payment adjustment rates, payments from governmental hospitals and grants to community clinics.

Kiscaden provided a brief overview of S.F. 1147, a measure to create a stop-loss fund for claims paid by a health plan company on behalf of a qualifying enrollee.

The panel took no formal action on any of the bills presented.

## Jobs, Housing and Community Development

### Women's career assistance okayed

At the session's final meeting of the Jobs, Housing and Community Development Committee, Weds., Apr. 11, members voted on bills addressing women in non-traditional careers, manufactured home parks, unemployment benefits for recently laid off workers and nonprofit organizations' involvement in redevelopment.

Sen. Leo Foley presented S.F. 2171, a bill that adds programs that give women opportunities in nontraditional careers in the trades and technical occupations to the list of uses for TANF funding. Aviva Breen from the Legislative Commission on the Economic Status of Women said that nontraditional careers for women are defined as occupations in which at least 75 percent of the incumbent workers are men. She said the gender division of jobs is one of the causes of the continued gender gap in wages. The committee approved the bill and sent the measure to the Finance Committee.

Sen. Jim Vickerman (DFL-Tracy) offered S.F. 1737, which sets-up a program for the redevelopment of manufactured home parks. The program, as outlined in the bill, assists in the purchasing of existing manufactured homes by offering up to \$3,000 for used homes. The program also

provides loans for the purchase of new manufactured homes and assists in making improvements to homes. Vickerman said manufactured homes are an important affordable housing option, especially in rural Minnesota. He also said the program is voluntary and no one is forced to relocate.

The committee adopted two amendments, offered by Sen. Linda Higgins (DFL-Mpls.), to the bill. The first changes the amount of the buy-out option from \$3,000 to the assessed value of the home. The second expands the loans given to new homes to also include any replacement dwelling. The committee advanced the bill to the Finance Committee with a recommendation to pass.

A bill authored by Sen. Claire Robling (R-Prior Lake) gives Scott and Carver Counties jurisdiction over the counties' economic development authorities (EDA). The bill also allows each county to turn over tax-forfeited lands to the EDA for redevelopment purposes. The committee approved the bill and sent the measure to the Committee on Taxes.

Sen. Ellen Anderson (DFL-St. Paul), committee chair, offered two bills. S.F. 2137 adds nonprofit organizations to the list of entities allowed to receive grants for economic redevelopment purposes. Dawn Stockmo, from the North End Area Revitalization, Inc. said, "The bill gives flexibility on sites that might be important to us as neighborhood people, but might not be important to other people." The bill was approved and sent to the Finance Committee.

S.F. 1965 repeals several obsolete laws as recommended by the Department of Trade and Economic Development. The bill was also recommended to pass and sent to the floor.

Finally, the committee addressed the needs of recently laid off workers. S.F. 2064, authored by Sen. John Hottinger (DFL-Mankato), extends unemployment benefits for workers laid off from Onan Power Electronics in Nicollet County and S.F. 1330, authored by Sen. Dan Stevens (R-Mora), extends unemployment benefits for workers laid off by Fingerhut in Mora. The committee added the provisions from S.F. 2064 to S.F. 1330, recommended S.F. 1330 to pass and sent the bill to the floor. Under the amended bill, workers laid off from both companies receive an additional 15 weeks of unemployment benefits.

## Rules and Administration

### Appointees approved

The Rules and Administration Committee, chaired by Sen. Roger Moe (DFL-Erskine), held a brief meeting Tues., Apr. 17, to consider gubernatorial appointments to the Campaign Finance and Public Disclosure Board. The committee recommended confirmation of Shirley Chase, Wilbur Fluegel, Donal Roggenbauer and former Senate President Allan Spear to the board.

In other business, the committee also heard a report on a proposal for the redesign of spaces in the Capitol Building and the recommendation for a new building on University Avenue. The committee took no action on the report.

### Campaign reform discussed

The Rules and Administration Subcommittee on Elections, chaired by Sen. John Hottinger (DFL-Mankato), began a series of hearings on three campaign finance reform measures Weds., Apr. 18.

Beth Fraser of the Minnesota Alliance for Progressive Action testified in favor of S.F. 388, the Fair and Clean Elections (FACE) bill, authored by Hottinger. Fraser said faults of the current system are that candidates spend too much time raising money and receive too much money in supposedly independent contributions from political parties. She also said public perception is a serious problem, since a large majority of Minnesotans believe that politicians are more responsive to large donors.

S.F. 388 remedies these problems, according to Fraser, by providing full public financing for candidates who agree to lower contribution limits. The bill also provides matching funds to respond to independent expenditures and encourages positive campaigns by providing more money to respond to negative ads. The bill encourages parties to spend more in coordination with candidates, and still allows organizations to communicate with their members, she said.

Sen. John Marty (DFL-Roseville) then presented S.F. 90. The bill, he said, repeals the income tax checkoff for public subsidies and uses general fund money to pay for 70 percent of a candidate's spending limit. Individual contributions are limited to \$100, he said, and contribu-

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tions from political action committees, lobbyists and parties are banned completely. The bill also provides public money to match independent expenditures and doubles the political contribution refund to \$100.

Marty said problems with the current system are not limited to public perception. Even if members are not consciously selling their votes, he said, contributors still gain goodwill and access to the political process with their money. "It's not corrupt people in the system, it's a corrupt system we have to address," he said.

Sen. Roger Moe (DFL-Erskine) brought up the balloon analogy, saying that limiting contributions in one area just causes increases in another area, similar to a balloon that bulges when squeezed. People who want to contribute money are likely to find a loophole to do so, Hottinger said. Marty said he believes his bill manages to contain all areas of the balloon.

## Constitutionality expert testifies

The Rules and Administration Subcommittee on Elections heard testimony Thurs., Apr. 19, from Deborah Goldberg, an expert on the constitutionality of campaign finance reform from the Brennan Center for Justice. Subcommittee Chair John Hottinger (DFL-Mankato) also announced that Sen. John Marty (DFL-Roseville) agreed to table S.F. 90 and work with S.F. 388, authored by Hottinger. Marty's bill provides for 70 percent public financing, while Hottinger's outlines a fully publicly financed campaign system.

Goldberg concentrated on court decisions with regard to the concept of providing matching funds for candidates to respond to independent expenditures. Courts have ruled that there is no constitutional right to be the only speaker, and that providing matching funds creates more rather than less speech, she said. However, she pointed out that it is uncertain whether the Eighth Circuit Court, which includes Minnesota, will concur with decisions made in other circuits.

Hottinger characterized the issue as a question of whether individuals and organizations have a right to outspend their opponents. He also pointed out that S.F. 388 creates a comprehensive new system, which may be viewed more favorably than modifications of the existing system.

Sen. Warren Limmer (R-Maple Grove) asked whether courts recognize money as equivalent to free speech. Goldberg said courts recognize the link between money and the ability to broadcast a message. Courts have ruled that limits on contributions are legal, she said, while limits on spending are not.

Goldberg also discussed court opinions on whether states can regulate independent expenditures that do not expressly support a candidate. Courts have created a distinction between "issue advocacy" and "express advocacy," she said. Only express advocacy, defined as ads that use "magic words" such as "support" or "vote for," can be regulated, according to court opinions.

Goldberg said the "magic words" test does not reflect the reality of campaigning. She said a system like the one proposed in the federal McCain-Feingold bill, under which any reference to a candidate within 60 days of an election is considered express advocacy, has been supported by First Amendment scholars.

Organizations that genuinely promote issue advocacy may file for an exception, Goldberg said, and courts will then be in the position of defining the line between issue and express advocacy. Overall, Goldberg concluded, "In passing this statute you will have very strong arguments to make for constitutionality that the court will uphold."

## State and Local Government Operations

### Accountability considered

The State and Local Government Operations Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), heard five bills Weds., Apr. 11. S.F. 1219, carried by Sen. David Johnson (DFL-Bloomington), generated the most discussion.

Johnson said the aim of the bill is to make the Metropolitan Council and the Metropolitan Airports Commission (MAC) more accountable for their actions. As originally introduced, the bill establishes a legislative commission to oversee the Met Council's budget and programs. However, the committee adopted an amendment, offered by Johnson, providing that Met Council members be elected and serve simultaneously as council members and county commissioners.

The amendment also specifies that the Met Council is to replace the MAC. Johnson said the MAC has not adhered to commitments made during the building of a runway in Richfield. Sen. Myron Orfield (DFL-Mpls.) offered an amendment adding four outstate members to the committee that replaces the MAC. After some discussion, Johnson said he was satisfied that he had made the point about MAC accountability, so Orfield withdrew his amendment and members deleted the section of Johnson's amendment that dissolves the MAC.

Sen. Dan Stevens (R-Mora) offered an amendment requiring local land use plans to provide for "planned urban areas" that must be available for development. Orfield said the amendment makes a substantial decision for the Met Council and is too complex to be considered in the current bill. Stevens withdrew the amendment. The bill was advanced to the Tax Committee.

Sen. Arlene Lesewski (R-Marshall) presented S.F. 1529. The bill exempts local units of government from the requirement to employ an architect for buildings estimated to cost less than \$150,000. Lesewski said the bill had met some resistance and offered an amendment providing instead for a study of whether low-cost buildings can be constructed without using an architect while still ensuring public safety. The amendment was adopted. Engineer David Exe objected to the bill, saying the Board of Architects should not oversee the study. The board often fails to enforce compliance with building regulations, he said. The bill was advanced to the floor.

Sen. David Knutson (R-Burnsville) carried S.F. 2031, a bill making minor changes with respect to public works contracts. The bill provides that contractors may recover costs for delays that were caused by the contracting public entity. Members adopted an amendment making minor changes that resulted from negotiations with parties affected by the bill. The bill was then sent to the floor.

S.F. 1863, authored by Sen. Ann Rest (DFL-New Hope), relates to the retirement plan for Legislators. The bill provides for a second referendum on social security coverage. Members adopted technical amendments suggested by the Legislative Commission on Pensions and Retirement and sent the bill to the Finance Committee.

Finally, members heard S.F. 1637, carried by Sen. Claire Robling (R-Prior Lake). The bill repeals provisions requiring hawkers and peddlers to obtain a license from the county in which they operate. The repealed statutes set fines based on the number of horses used to draw the wagon from which goods are sold. The bill was approved and sent to the floor.

## State Government, Economic Development and the Judiciary Budget Division

### Finance Dept. bill heard

The agenda for the Weds., Apr 11, meeting of the State Government, Economic Development and the Judiciary Budget Division included the first hearing of a policy bill for the Department of Finance. The bill, S.F. 1880 sponsored by Sen. Dennis Frederickson (R-New Ulm), makes a number of changes to the operation of the department, many of which are minor or technical in nature. The main substantive changes in S.F. 1880, as highlighted by Peggy Ingison from the department, address budget reserves, bonding bills, and the process for dealing with a budget deficit.

The bill sets the budget reserve at 5 percent of biennial spending and specifies that bonding bills are to occur in odd-year Legislative sessions. The bill's process for covering a deficit consists of a list of six steps the commissioner must follow, in order, when making up for a shortfall in revenues. The bill says the deficit first must be accounted for with savings created by departments, then with other sources of revenue. Next, according to the bill, the commissioner is to reduce all operating allotments by up to ten percent. The bill specifies that, if the allotment reduction still leaves a deficit, the commissioner may reduce or delay new programs or any other unused allotments. The last source the commissioner is to use to cover the deficit, under the bill, is the budget reserve account.

Sen. David Johnson (DFL-Bloomington) said that one of the repealers in the bill addresses a job-related policy issue that falls outside the purview of the division. After some discussion as to whether that section should be removed, the bill was laid over.

The funding bills discussed at the meeting include Sen. Ellen Anderson's (DFL-St. Paul) paid parental leave bill. S.F. 1617 establishes partial reimbursement by the state for companies that institute their own programs for paid parental leave. The bill specifies a maximum weekly amount of reimbursement and requires that eligible employees exhaust other leave first. Anderson said unpaid leave provided under the Family and Medical Leave Act does not meet the needs of families, especially those with lower incomes.

Jim Painter of ECM Publishers said his company's founder, former governor Elmer L. Andersen, was an early leader in providing parental leave benefits. He said that, at any given time, the company's paid parental leave is being taken by about 10 of the 500 employees. The company's program, he said, pays 40 percent of a person's salary for up to one year. He said the employee's child must be three years old or younger, the employee must have worked for at least three years, and the leave may be taken up to three times all together.

Anderson said she thought the fiscal note on the bill, which shows an annual cost of more than \$19 million dollars, is based on assumptions that she thinks overestimate the level of participation in the program.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 1688, a bill that changes the way the combined charities campaign is administered within offices of state government. The measure places the campaign formally under the purview of the Department of Employee Relations. The bill also appropriates \$55,000 for the next campaign and specifies that, after that, a 5 percent portion of the charitable contributions are to be used to fund the campaign.

A bill by Johnson, S.F. 1074, adds "enrichment and enhancement of existing jobs" to the allowable use of money from the Minnesota Investment Fund. Under current law, job development with the fund is limited to "creation and retention" of jobs. Carol Lovro from the Association of Minnesota Counties said the fund is generally used for capital expenditures, but with the added flexibility of the bill's language, funds may be used in a variety of ways. Johnson said the bill fosters economic stability by helping employers offer and fill more highly skilled jobs. The bill

also makes the fund a revolving loan account.

Representatives of the National Guard Youth Camp discussed a bill to fund the camp's operation. The bill, S.F. 2117, authored by Sen. James Metzen (DFL-South St. Paul), appropriates \$50,000 a year for the camp, which provides activities for children of National Guard members, including hiking, canoeing, military history, swimming and marksmanship.

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 2102, a bill that appropriates \$1.5 million for catalyst grants related to the provision of Internet access in rural communities. He said the bill broadens the nature of the projects funded to include the use of new applications and to embrace a connected communities model.

All of the funding bills were laid over for possible inclusion in the division's omnibus bill. One other bill, S.F. 555, was amended so that it no longer has a fiscal impact. The bill, authored by Sen. Don Betzold (DFL-Fridley), changes a number of provisions in administrative rule making. The bill had been discussed by the division once before and, based on concerns about the fiscal impact on departments and agencies, Betzold offered an amendment to clarify the granting of variances, an exception to unadopted rules and a requirement of a bond by some petitioners. The bill was amended, approved and advanced to the floor.

### Belafonte supports center

The State Government, Economic Development and the Judiciary Budget Division met Tue., Apr. 17, for a full agenda of bills related to housing, economic development and other concerns. Members engaged in recurring policy debates regarding some of the bills, but took no formal action regarding any of the funding requested in the bills.

The economic development bills on the agenda included S.F. 1079, which had been discussed in detail at a previous meeting. At the request of Sen. Richard Cohen (DFL-St. Paul), the bill's chief author and chair of the division, renowned entertainer and long-time civil rights activist Harry Belafonte appeared before the division to testify on behalf of the bill, which funds the redesign phase of the Roy Wilkins Center in St. Paul. Belafonte cited recent race riots in Cincinnati, Ohio, as an example of challenges the nation faces,

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despite being a world leader, in settling differences within its own borders. He said the Roy Wilkins Center will be important not just because of its economic impact, but because “we must give some regard to the soul of our citizens.” He said “The black community needs the center, but I think we all need it.”

Among the housing bills presented, the most contentious was S.F. 1217, an inclusionary housing bill authored Cohen. The bill requires and provides incentives for the inclusion of affordable housing in all developments of 20 units or more in the Metro Area and contiguous counties. The bill’s definition of “affordable” is scaled according to whether the development contains subsidized rental housing,

subsidized ownership units, or non-subsidized housing. The bill appropriates funding to the Metropolitan Council for the inclusionary housing account in the metropolitan livable communities fund. The primary incentive the bill offers builders is a 30 percent density bonus, which helps make mixed income development more attractive by allowing more units overall. The bill also grants local governments the authority to relax regulations in ways that help developers reduce costs.

Russ Adams from the Alliance for Metropolitan Stability said the bill makes inclusionary development mandatory because not enough communities are participating under the current voluntary

program. Charles Christian, a developer from Rogers, said cities in collar counties pursue the creation of new jobs but do not bother to support housing that workers can afford. Jack Horner of the Minnesota Multi-Housing Association, and other opponents, presented a number of objections to the bill’s provisions, saying that it does more harm than good by discouraging development.

Another of Cohen’s bills, S.F. 1190, is an omnibus housing bill that appropriates \$146.459 million a year to the Minnesota Housing Finance Agency (MHFA) and specifies the various programs to which the money is to be allocated. The allocations specified in the bill include \$40 million for the economic development and



Recording artist Harry Belafonte chats with Sen. Dean Johnson (DFL-Willmar), right, and Majority Leader Roger Moe (DFL-Erskine), center, Tues., Apr. 17, about his support for building a new Roy Wilkins Center in downtown St. Paul.

Photo by David J. Oakes

housing challenge program, \$37.5 for the housing trust fund, and \$20 million for new local initiative block grants. Sen. David Knutson (R-Burnsville) said that the division's limited funds for housing require a strategic approach to spending, targeting a narrow range of programs that have the greatest impact.

A departmental housing bill, S.F. 1837, was presented by Sen. Julie Sabo (DFL-Mpls.). Tonya Orr of MHFA said the bill consolidates a number of the agency's funded programs to allow for greater flexibility in addressing changing housing needs. Sabo and Sen. Ellen Anderson (DFL-St. Paul) said one unresolved policy issue in the bill is the consolidation of the rental assistance for family stabilization (RAFS) into general rental assistance. A representative of the Minnesota Coalition for the Homeless said the agency needs to continue to allocate significant funding toward the people currently served by RAFS.

Two of the housing bills address a federal level change allowing Section 8 certificates to be used for home ownership. S.F. 1820, authored by Sen. Randy Kelly (DFL-St. Paul), appropriates \$1 million to the MHFA for the costs of providing home ownership programs, including homebuyer education and foreclosure prevention. A bill by Sen. Myron Orfield (DFL-Mpls.), S.F. 1591, appropriates \$17 million to the agency for redevelopment or construction of homes specifically for people who are Section-8 eligible.

A bill carried by Sen. Roy Terwilliger (R-Edina), S.F. 1641, funds home ownership education and assistance for underserved populations and people of color. Muffie Gabler from Wells Fargo Bank said funding for homebuyer education has not increased since 1994, while demand has increased threefold, especially among people with limited English language skills. The meeting's final housing bill, S.F. 635 authored by Sen. Steve Kelley (DFL-Hopkins), appropriates a grant of \$25,000 for transitional housing services offered by Perspective, Inc. The bill was amended to designate the Department of Children, Families and Learning as the pass-through department.

Cohen presented two bills related to economic development. Both create initiatives that foster links between university research and private sector venture capital. S.F. 501 creates the North Star Research Coalition, a private-public

partnership to help develop high-tech research outcomes at the University of Minnesota into successful business ventures. Michael Gorman, a partner in St. Paul Venture Capital, said key elements that have driven the attraction of venture capital in medical devices have not translated well to the high-tech sector. The bill includes a number of funding provisions under the purview of the Higher Education Budget Division, but Kelley, a co-author of the measure, clarified that North Star is being funded as an economic development initiative. He said that a similar program in Georgia has leveraged state investment of \$275 million into more than \$1 billion in new capital. Sen. David Johnson (DFL-Bloomington) said he understands the merits of the program, but said the division's priorities are being intensely tested as it is. He said he does not see where cuts can be made in funding for homelessness or low-income job training, especially for the sake of a program that might be more appropriately placed completely in the Higher Education Division.

The other Cohen bill, S.F. 1812, creates a similar initiative aimed specifically at biomedical technology. Christine Maziar, dean of the graduate school at the U of M, said the initiative provides the necessary development and market discipline to translate research outcomes into sellable products. A bill related to job training was presented by Sen. Becky Lourey (DFL-Kerrick). S.F. 1898, appropriates \$1 million in one-time funding for a pilot project to provide employment services for persons with long-term brain injuries.

Another bill by Lourey, S.F. 2277, relates to the courts, providing funding to the Supreme Court and to the Department of Public Safety to cover unusually high prosecution costs associated with the Evelyn Malin homicide investigation. Another judiciary bill, S.F. 2036, is authored by Sen. Lawrence Pogemiller (DFL-Mpls.). The bill provides for the continued absorption of District Court funding by the state. State Court Administrator Sue Dosal said the funding for the transition is offset through the Tax Committee with HACA reductions.

One final bill of local interest was presented by Sen. Bob Lessard (IND-Int'l. Falls). S.F. 2195 appropriates \$250,000 to the Northern County Land Use Coordinating Board for a pilot project to study how

best to manage resources. Bob Fenwick from the board said planning in the region is complicated by inter-jurisdictional issues because of federal lands, international watersheds and state and national borders.

## Reorganization bills discussed

At the meeting held Weds., Apr. 18, the State Government, Economic Development and the Judiciary Budget Division considered proposals by Sen. Ellen Anderson ((DFL-St. Paul) and Sen. David Johnson (DFL-Bloomington) concerning the makeup and transition of the new Department of Economic and Workforce Development (DEWD). Members also heard the remaining appropriations bills, most of which pertain to workforce development and job training programs.

The reorganization proposals, Anderson's S.F. 1745 and Johnson's S.F. 1760, were discussed at length in the Jobs, Housing and Community Development Committee. Anderson and Johnson both said that significant progress has been made to resolve differences in the bills and arrive at a consensus proposal for the reorganization. Both bills move the workforce development aspects of the former Department of Economic Security (DES) into DEWD, along with all the current divisions of the Department of Trade and Economic Development (DTED). The energy and weatherization programs from DES go to the Department of Commerce under the bills.

Anderson said she is not sure about some parts of DES being moved to DTED, including vocational rehabilitation, extended employment services, services for the blind, and unemployment services. She also said she is not sure about the need to eliminate the Department of Labor and Industry. Under her bill, no reorganization takes place until June 2002, and a task force is appointed immediately to examine, reconsider and resolve a variety of issues. She said that, in general, the governor has not given the Legislature enough time to examine and make recommendations for the plan. Sen. Richard Cohen (DFL-St. Paul), division chair, said the governor took two years to study it and then gave the Legislature two weeks. The overall timing of the reorganization, Anderson and Johnson said, is still an unresolved issue. Johnson said waiting until next year does not leave enough time. He said that further delay might

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adversely affect those being served or ultimately result in nothing being done at all. His bill establishes the complete reorganization framework and puts a transition team in place July 1 of this year.

Another unresolved issue, they both said, is the makeup of the transition team. Anderson said a broad range of interested parties need to be part of the team. Johnson said that, although input needs to be heard during the transition from all who are affected by it, the team's decision makers need to be limited to Legislators and members of the administration.

Johnson and Anderson said they will continue to work on a consensus proposal and have it ready for the division by the Tues., Apr. 24, meeting.

Tom Lijewski, chair of the State Rehabilitation Council for the Blind, said the approach in Anderson's bill lets more people participate in decisions about the reorganization.

Bills related to funding for specific workforce programs were also discussed. As has been the practice with appropriations bills, the division took no formal action on any of the measures, but instead laid them over for possible inclusion in the omnibus bill.

Johnson presented S.F. 1380, the bill that comprises the funding portion of the Mental Health Act of 2001. The bill funds job training for persons with serious or persistent mental illness. Pat Bugenstein of the League of Women Voters said changes in federal funding for vocational training will cause drastic reductions in services throughout the state without the bill's appropriation.

A bill by Anderson, S.F. 2139, appropriates \$600,000 to the St. Paul Port Authority for a customized job training program. Lori Louder from the port authority said the program works directly with employers to discern needs and then designs specific training for targeted populations. She said the bill is one-time funding to bridge the gap as the program moves toward becoming a self-supporting, fee-based service for businesses.

Appropriations that continue and increase extended employment services are included in S.F. 1173, authored by Sen. Deanna Wiener (DFL-Eagan). The appropriation of \$2.3 million is directed, under the bill, toward offering the services to persons with severe disabilities, while \$3 million is allocated for welfare-to-work support for people with the most serious

barriers to employment. Wiener said both amounts represent a significant increase over base funding. In the case of services for the severely disabled, the bill changes the state reimbursement rate to 20 percent.

Sen. Leo Foley (DFL-Coon Rapids) presented S.F. 2172, a bill that provides assistance grants for women in nontraditional careers. Aviva Breen of the Commission on the Economic Status of Women said the funding provides job-specific training, placement assistance, and other support to help women be successful in higher wage jobs in fields dominated by men.

S.F. 685, a bill that restores \$4 million in funding for displaced homemaker programs, was presented by Cohen. On behalf of the bill, Yvette Boe Oldendorf said the program is a critical resource for women who have not worked outside of the home, but find themselves needing to be a primary breadwinner due to the death, disability or divorce of a spouse.

Several bills to fund initiatives in economic development were presented to the division. As with the workforce bills, no formal action was taken.

S.F. 2242, authored by Sen. Bob Lessard (IND-Int'l. Falls), appropriates \$250,000 for the pre-design and marketing feasibility phase of an educational center devoted to bears and logging. Larry Feagan of Big Bear Country, Inc., said the center will provide a home for an exhibit being phased out at the Science Museum of Minnesota and will serve as another non-weather related tourism attraction in Northern Minnesota.

Sen. Steve Dille (R-Dassel) presented S.F. 2313, a bill that appropriates \$100,000 a year to fund a marketing plan and economic development pilot project for the West Central Growth Alliance serving Big Stone, Chippewa, Kandiyohi, Lac Qui Parle, Meekere, Renville, Stevens, Swift, and Yellow Medicine Counties. A bill by Sen. John Hottinger (DFL-Mankato) funds a similar initiative for St. Louis, Blue Earth, and Martin Counties. S.F. 612 appropriates \$125,000 for the biennium to each county to work with the Riverbend Center for Enterprise Facilitation (RCEF). Hottinger and Blue Earth County Commissioner Al Bennett said RCEF has a proven track record for successful business incubation and support throughout the state.

S.F. 375, authored by Sen. Jim Vickerman (DFL-Tracy), appropriates

\$400,000 for a grant to Red Rock Central School District to expand broadband Internet access to the wider community. Leonard Runck from the district said expanded access to businesses and residences is an important to economic growth in the area.

Capital improvements at Camp Knutson are funded under S.F. 362, authored by Sen. Don Samuelson (DFL-Brainerd). The camp, which is owned and operated by Lutheran Social Services, serves children with a wide variety of special needs. The bill specifies numerous capital expenditures the camp needs, including septic systems, all-season water availability and erosion control. Camp Director Rob Larson said the bill complements \$2 million raised in private support aimed at expanding use of the camp with year-round programming.

Sen. Thomas Neuville (R-Northfield) presented a bill related to the Judiciary. S.F. 2297 funds a pilot program in the Third and Fifth Judicial Districts to promote alternative dispute resolution. The bill makes a one-time appropriation of \$80,000 that is for training of volunteer mediators and administration of the pilot program.

Finally, a bill authored by Sen. Steve Dille (R-Dassel), S.F. 1021, provides a marriage license fee discount for couples who participate in premarital education. Dille said the bill basically represents a tax cut that rewards positive behavior. A fiscal note on the bill projects annual decreases in general fund revenue of \$167,000.

In other business, Greg Hubinger of the Legislative Coordinating Commission presented the commission's budget, which covers the Office of the Legislative Auditor, the Legislative Reference Library, the Revisor's Office, and number of commissions. The budget request totals \$30.878 million for the biennium.

## Income and Sales Tax Budget Division

### Uniform tax bill okayed

The Income and Sales Tax Budget Division convened Weds., Apr. 11, and approved a bill that adopts the Uniform Sales and Use Tax Administration Act. The act is an agreement formed by 41 of the 45 states with sales tax to streamline tax definitions, bad debt policy and sourcing rules.



“The bill allows the Department of Revenue, in agreement with other states, to adopt uniform definitions and sourcing, bad debt and rounding rules with overall goal of simplifying sales for businesses that operate in more than one state,” said Cathy Wicks, sales tax director for the Department of Revenue (DOR). The bill, she said, is not an effort to supersede the state’s taxing authority. Instead, she said, the bill clarifies an item’s classification, while the state may or may not chose to tax that class of item.

In a few cases, Wickes said, an item that has not been previously taxed will be taxed. Bottled water is considered a food item under the uniform tax definitions and because Minnesota does not tax food, the state will now exempt bottled water, she said. The bill, sponsored by Sen. Ann Rest (DFL-New Hope), makes baking chips and soft drinks containing 15 to 50 percent juice taxable, while removing the tax on ice, iced tea, snack foods sold in restaurants and concession stands, party trays and single serving ice cream treats.

Matt Lemke from the Minnesota Retailers’ Association said the minor changes in taxation are a small price to pay for the overall simplification of the tax system. “The sales tax is currently confusing, cumbersome, and expensive, and the bill, by simplifying the classification, will prevent retailers from having to pay fines and penalties for not filing correctly,” he said. However, he said, the bad debt provisions in the bill are too narrowly defined and should be amended to allow third parties and affiliates to collect debt, instead of only the seller.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented a bill that keeps Minnesota in line with federal Internal Revenue Code (IRC) definitions and methods. In 2000, Congress enacted three laws that changed the IRC: the FSC Repeal and Extraterritorial Income Exclusion Act, the Installment and Tax Correction Act and the Consolidated Appropriation Act. The bill, contained in section 2 of the governor’s tax bill, was okayed and attached to the division’s articles for the omnibus tax bill.

The division continued discussion on Pogemiller’s bill, S.F. 473, which requires a person’s school district number to be included on an income tax return. The division had previously brought up data privacy concerns. The bill was amended to require only the principle address of the

taxpayer, which can be used to determine the school district. Pogemiller said the information is crucial to school equalization efforts. The bill was approved and sent to the full committee.

Sen. Twyla Ring carried S.F. 999, which authorizes any county, with county board approval, to impose an aggregate materials production tax. The bill increases the tax rate from \$.10 per cubic yard to \$.15 per ton. The committee recommended S.F. 999 to pass and referred the bill to the full committee.

Sen. Don Betzold, division chair, presented S.F. 1374, which addresses DOR penalty structures and data privacy issues. The bill classifies as private or nonpublic inactive tax investigation data, information from tax informers, DOR criminal investigation selection criteria and data from a claimant agency pursuant to revenue recapture activities. The panel approved the data privacy provisions, along with sections concerning forfeiture procedures and penalties for fraudulent and frivolous claims. The provisions were added to the income and sales tax articles of the omnibus tax bill.

However, the committee did not recommend a section of the bill that reforms civil penalty policy. According to DOR, changes to the late pay and fine penalties for individual income tax, other entities taxed on income and estate taxes are needed in order to create a penalty system that provides sufficient sanctions that deter noncompliance, without causing a buildup of penalties that creates an obstacle to enforcement.

The panel added several technical provisions to the income and sales tax articles of the omnibus tax bill. S.F. 1042, authored by Rest, clarifies language, updates references and removes obsolete provisions in the 2000 sales tax remodification law. S.F. 1189, also offered by Rest, repeals obsolete cigarette and tobacco product tax rules. S.F. 1391, carried by Sen. Chuck Fowler (DFL-Fairmont), accomplishes a wide spectrum of DOR administrative corrections including changes to the income, franchise, property sale and use, petroleum, cigarette and tobacco, liquor and Minnesota Care tax. Several of the changes update income thresholds.

The division laid over S.F. 1847, sponsored by Sen. Michele Bachmann (R-Stillwater). The bill, which had been discussed at a previous hearing, exempts

tax preparers who prepare less than 500 returns from having to file electronically. Currently, the threshold for required electronic filing is scheduled to decrease next year to preparers who submit 250 returns.

## Construction exemptions heard

The Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Tues., Apr. 17, and considered 19 bills that provide tax exemptions for construction supplies, materials and equipment used to build municipal facilities. A number of witnesses said that requiring cities to pay sales tax on materials creates a double tax because the added cost results in increased property taxes for residents. The panel laid over all bills for possible inclusion in the omnibus tax bill.

A pair of the bills provide sales tax exemptions for construction materials sold for the building of city halls. S.F. 487, sponsored by Sen. Michele Bachmann (R-Stillwater), creates an up-front exemption for materials bought for a new city hall in Hugo. “The exemption is a direct reduction in the amount of bonding that is needed to pay for the construction of the city hall,” said Hugo Mayor Fran Myron. Sen. Mady Reiter (R-Shoreview) carried S.F. 643, which removes the sales tax on materials for the construction of a city hall in Arden Hills.

A couple of municipalities requested exemptions for supplies needed for new community center buildings. S.F. 365, presented by Sen. Becky Lourey (DFL-Kerrick), gives an exemption for construction materials for a community activity center in Proctor. S.F. 1713 allows the city of Eagan to purchase sales tax free materials for the building of a community center.

The committee also heard bills that give Ham Lake, Princeton, Farmington and Marshall exemptions for the construction of fire department facilities. Sen. Debbie Johnson (R-Ham Lake) sponsored S.F. 1493, which exempts construction supplies for a new fire department in Ham Lake. S.F. 524, authored by Sen. Dan Stevens (R-Mora), exempts materials for a fire station in Princeton. S.F. 583, presented by Sen. Pat Pariseau (R-Farmington), gives a similar exemption for a fire station in Farmington. Sen. Arlene Lesewski (R-Marshall) carried S.F. 1016, which allows construction supplies for a regional emergency response and fire

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training center in Marshall to be bought without sales tax. Mike Johnson, Marshall city administrator, said the center trains fire fighters for towns within a 150 mile radius of the facility.

Law enforcement centers were also the subject of exemptions considered by the committee. S.F. 531, carried by Lesewski, exempts materials for a law enforcement and family service center in Yellow Medicine County. S.F. 1593, sponsored by Sen. Claire Robling (R-Prior Lake), creates an exemption for construction supplies for the police department and library facility in Shakopee. Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) presented a bill that allows Bemidji to buy construction materials for the expansion and improvement of the Bureau of Criminal Apprehension satellite laboratory.

Public facilities under construction in Dakota County are given exemptions by S.F. 820, authored by Sen. Steve Murphy (DFL-Red Wing), and S.F. 821, authored by Sen. James Metzen (DFL-South St. Paul). Murphy's bill creates an exemption for construction materials needed for the Dakota County Rosemont Highway Shop. Metzen's bill exempts construction supplies for the Dakota County Northern Service Center in West Saint Paul.

The committee heard two bills that give exemptions for water treatment facilities. S.F. 1877, sponsored by Pariseau, permits the city of Cannon Falls to buy materials for a water treatment and improvement facility without paying sales tax. Johnson presented a bill, S.F. 2050, that exempts materials used in building a similar facility in Andover.

Construction supplies for a new indoor sports and physical education complex in Hermantown are exempted from taxes by S.F. 364, authored by Lourey. The equipment and materials needed for a street reconstruction project in Milaca are exempted from sales tax by S.F. 2184, presented by Stevens.

S.F. 151, carried by Sen. Bob Lessard (IND-Int'l. Falls), repeals the expiration date for an exemption, approved in 1999, for supplies needed for a biomass electrical facility. The project needs an indefinite exemption period, he said, because of difficulties in completing the project.

## Exemptions considered

Members of the Income and Sales Tax Budget Division came together Weds., Apr. 18, and examined major changes to

the tax system as well as a broad spectrum of sales tax exemptions. The group laid over each bill for possible inclusion in an omnibus tax bill.

Sen. John Hottinger (DFL-Mankato) presented S.F. 2212, a bill that reforms property taxation, as well as creates a sales tax exemption for purchases by county governments. The bill, said Sen. Don Betzold (DFL-Fridley), needs to be discussed in the full Tax Committee, because of the complicated interplay between the property tax reforms and the county sales tax exemption. Sen. Kenric Scheevel (R-Preston) also presented a bill that allows counties to make purchases without paying sales tax. "The bill, S.F. 2067," he said, "Eliminates sales tax paid by counties. Counties don't lose or gain right away, but in the long run they gain." He said the potential revenue loss to the state is countered by a reduction in county aid payments. Eventually, he said, the counties gain more money because sales tax is linked to inflation, but county aid payments are not.

The committee heard three bills that use tax exemptions or reductions to meet public transportation needs. S.F. 2224, sponsored by Sen. Steve Murphy (DFL-Red Wing), allows political subdivisions of the state to buy supplies for constructing, maintaining and improving roads if the project is funded in full or part by the trunk highway fund, county state-aid highway fund or municipal state-aid street fund.

Sen. Julie Sabo (DFL-Mpls.) also presented a tax plan that addresses transportation needs. S.F. 2264 lowers the general sales, use and motor vehicle tax rate from 6.5 to 6 percent and authorizes transportation partnerships to impose a .5 percent sales, use and motor vehicle tax. The partnerships are designated in the Metro Area by the Metropolitan Council and by the commissioner of transportation for other areas. Sabo said, "The state relies on property tax for transportation funds. It is not the norm in the country, and it has left us far behind in the expansion and diversification of transportation." Sen. Warren Limmer (R-Maple Grove) suggested that the bill define the Metro Area by the 11 counties identified as metropolitan by the latest census, instead of by the 7 counties currently included in the Met Council. Bill Barnhart, from the city of Minneapolis, said the idea is an excellent suggestion. He said the bill is in

a conceptual stage and needs fine tuning. He said the projected revenue loss is \$370 for the biennium, but some of the cost is defrayed because no Metro Transit allocations or transportation appropriations from the general fund are needed. A representative from the Met Council said the organization is not taking a position on the bill yet, but linking transportation funding to sales tax provides a predictable, stable and growing source for transportation money.

Sen. Myron Orfield (DFL-Mpls.) sponsored S.F. 1991, which creates a sales tax exemption for vehicles bought for public transportation. Mike Opatz, representing the Suburban Transit Association, said the bill creates significant savings on transportation costs and helps stretch transportation dollars farther. For example, he said, Winona recently purchased 6 buses and paid \$36,080 in sales tax. The money, he said, could have been used to pay for more vehicles.

S.F. 2128, authored by Sen. Arlene Lesewski (R-Marshall), exempts from sales tax the first \$1 million in annual sales for businesses located in cities with less than 1,000 people and are owned and operated by a person who resides in the city and not by a franchise or multi-national corporation. She said the bill creates rural enterprise zones in order to stimulate lagging rural economies.

Sen. Ann Rest (DFL-New Hope) and Hottinger carried bills that create sales tax exemptions for energy efficient appliances. "The bills create a savings for the consumer as well as the environment," said Rest. Her bill provides an exemption for refrigerators, water heaters, heating and cooling systems and other appliances if they have an "energy star" or "energy guide" label, which are issued by the Environmental Protection Agency, as well as motor vehicles that use less than a gallon of gas per 35 miles driven in city driving conditions. Rest amended her bill to add energy efficient windows. The exemption expires in 2007. Hottinger said he supported Rest's bill, S.F. 1871, and tabled his bill, S.F. 1955.

Scheevel also presented an environmentally focused bill, S.F. 2026. The bill creates an exemption for materials needed by a cogeneration electric generation facility that uses waste tires as fuel. He said the plant converts waste tires into fuel to run an ethanol plant as well as recycles steel from tire rims.

Sen. Bob Lessard (IND-Int'l. Falls) provides a tax exemption for the Minnesota Zoo. He said, "Duluth and Como Zoos don't charge sales tax on admission. If the state didn't have to collect taxes on admission to the Minnesota Zoo, that would really help them out."

Sales of goods, in which all profits are donated to a registered combined charity organization and used for charitable, religious or educational purchases and do not occur for more than 24 days per year, are exempted from sales taxes by S.F. 1982. Chief author Sen. Linda Scheid (DFL-Brooklyn Park) said registered combined charity organizations are groups, such as the United Way, that raise funds for multiple organizations.

Sen. Lawrence Pogemiller (DFL-Mpls.) authored S.F. 1913, which expands the current sales tax exemption on text books to include more educational materials, such as art supplies needed for art classes. An architecture student at the University of Minnesota said, "The bill is the state's way of saying that hands on experience is just as valuable as the knowledge gained in books." Pogemiller said the language in the bill needs to be clarified to prevent abuses, to insure that students will benefit and to streamline the exemption. He said he will continue to work on the bill before it is considered again.

Ambulance service supplies and equipment are exempted from sales tax by S.F. 2206, authored by Sen. Cal Larson (R-Fergus Falls). O.J. Doyle, Minnesota Ambulance Association, said, "The bill helps mitigate the \$37 million deduction in Medicare reimbursements for ambulance service."

Sen. Steve Kelley (DFL-Hopkins) presented a bill, S.F. 2193, that removes the sales tax on investment coins and bullion. He said the measure is needed in order to keep coin and bullion companies competitive with similar businesses in other states that are not required to charge the tax. He said the tax creates a great disadvantage to Minnesota sellers who conduct their business on the Web.

Sen. Michelle Fischbach (R-Paynesville) carried two bills that provide exemptions for construction materials for public facilities. S.F. 2316 exempts materials for the construction of a city hall and fire station in Rockville. S.F. 1513 exempts supplies for the construction of a new city hall and a water treatment facility in Sartell.

## Property Tax Budget Division

### Tax overhauls heard

Three major reforms of Minnesota's property tax system were the focus of discussion Tues., Apr. 17, as the Property Tax Budget Division returned from spring recess.

Sen. John Hottinger (DFL-Mankato) presented S.F. 2212, a reform bill that addresses classifications, credits and exemptions, education finance, local government aid, state assumption of county costs and a local government sales tax exemption. The bill establishes an exemption for the first \$15,000 of homestead value and increases the tier breakpoint for residential homesteads from \$76,000 to \$125,000.

The measure also reduces class rates in several classes, including residences, apartments, commercial-industrial property, agricultural property and cabins. Tier breakpoints for business and agricultural lands are also increased under the proposal. Hottinger's bill indexes all valuation tier breakpoints and the \$15,000 residential exemption to inflation on an annual basis.

In education finance, S.F. 2212 makes the general education levy a state levy and increases debt service and referendum equalization payments. The local government aid (LGA) article of the bill increases total city property tax relief by \$58 million, removes LGA grandfather provisions, changes city need calculations and ties future LGA appropriations to growth in state sales and income tax revenues. Hottinger's proposal provides for state takeover of 90 percent of county out-of-home placement costs and continues the state takeover of county court costs. S.F. 2212 also eliminates the sales tax on purchases by local units of government.

Chuck Canfield, president of the Council of Greater Minnesota Cities (CGMC), supported the bill for striving to balance the need for property tax cuts with the need to invest in state resources. He said the bill does not shift the whole burden for funding education from one class of property to another.

"Everybody pays because everybody benefits from a good system of education," Canfield said. Larry Buboltz, also speaking on behalf of the CGMC, said S.F. 2212 reduces disparities between cities and

townships. The disparities, he said, are a major concern for Greater Minnesota cities and affect urban sprawl. Sen. Ann Rest (DFL-New Hope) said adjusting the residential tier breakpoint provides "greater bang for the tax relief buck" in Greater Minnesota. Hottinger said Greater Minnesota residents do not have the income levels of Metro Area residents. "Prices are lower for housing because we don't have any money," he said. Representatives of the Minnesota Multi-Housing Association, Metro Inter-County Association, Schools for Equity in Education and the cabin owners association also testified in support of the bill.

Tom Hesse, Minnesota Chamber of Commerce, said the bill shifts property tax burdens onto commercial-industrial property in the long term. Hesse also said the bill sanctions an effective tax rate of 5 percent. At that level, he said, Minnesota will have the highest tax rate in the nation. Hottinger said the price of exceptional services and resources is higher taxation.

Glen Dorfman, Minnesota Association of Realtors, raised two concerns with the proposal. He said Legislators and others should not delude themselves into believing that tier breakpoints and exemptions target lower valued homes. Rather, those features are used by all homeowners, Dorfman said. He said the state should have a one-tier residential property tax system.

Dorfman's other concern, he said, is the issue of getting good things for taxes paid. The state does not need more revenue, he said. Dorfman suggested reallocating money between programs within current spending levels.

According to Assistant Commissioner Jenny Engh, the Dept. of Revenue has no formal position on Hottinger's bill.

Members of the division also considered S.F. 2298, authored by Sen. William Belanger (R-Bloomington). The bill reforms several aspects of taxation, such as individual income taxes, corporate franchise taxes, sales taxes, health care provider taxes, corporate franchise taxes and property taxes. The property tax section of the bill incorporates wholesale the governor's property tax reform proposal.

Sen. Edward Oliver (R-Deephaven) presented his tax reform proposal, S.F. 631. The bill proposes a state takeover of the general education levy, provides for referendum levies only on homes and

# Committee update

apartments, decreases class rates on homes, apartments and commercial-industrial properties.

All three bills were laid over for further consideration.

## Fiscal disparities discussed

Members of the Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), heard three proposals relating to fiscal disparities provisions in state property tax laws. The provisions are applied in the seven-county Metro Area to equalize city resources as a function of commercial-industrial property growth. Cities with high development growth contribute to a pool that distributes fiscal disparities monies to cities that experienced low growth rates during a year.

Sen. William Belanger (R-Bloomington) presented S.F. 11. The bill caps a city's fiscal disparities contribution at either 15 percent of total net tax capacity or the percentage that the payable 2001 contribution was out of total net tax capacity, whichever is greater. S.F. 785, authored by Sen. Myron Orfield (DFL-Mpls.), includes Chisago, Isanti, Sherburne and Wright Counties in the Metro Area fiscal disparities program.

Orfield said growth in the Metro Area has spread beyond the traditional seven-county zone. The fiscal disparities distribution system, he said, is 10 times more efficient as local government aid (LGA) payments and decreases competition for the tax base. Sen. Linda Scheid (DFL-Brooklyn Park) offered S.F. 1839, which requires the Dept. of Revenue to study whether the Metro Area fiscal disparities program is achieving the purposes for which it was created.

Speaking to all the bills, Keith Carlson of the Metro Inter-County Association said now is not the time to make changes in the fiscal disparities program. Class rate compression for commercial-industrial property creates a drop in the fiscal disparities pool, Carlson said.

Members also considered several other measures. Sen. Dallas Sams (DFL-Staples) presented a bill allowing property bordering public waters to be valued at current use rather than highest and best use. The measure, S.F. 2114, requires that the land be at least 20 acres of residential homestead, agricultural homestead, agricultural land or timberland, be the homestead of the owner or be owned for at least seven

years and be substantially undeveloped. The bill also requires that the land not be owned by a corporation and that no revenue has been derived from the land for the previous three years.

Scheid presented S.F. 1771. The bill reduces the general education tax rate to the rate required to raise \$1.23 billion rather than \$1.33 billion starting in FY 2003, compresses several property classification rates and creates two homestead credits. Under the bill, a residential homestead credit of half a percent of market value and an agricultural land credit of .25 percent of market value are created. S.F. 2000, also authored by Scheid, changes the class rate for low income rental housing from 1 percent to 42 percent of the class rate for multiple unit rental housing.

S.F. 131 was presented by Sen. Twyla Ring (DFL-North Branch). The bill allows the city of Chisago and Wyoming Township to set the time limit for the city's reimbursement for annexed property as part of a joint powers agreement. Ring also offered S.F. 1633, which allows the Chisago Lakes Joint Sewage Treatment Commission to sell general obligation bonds for wastewater treatment facilities.

Sen. Roger Moe (DFL-Erskine) presented S.F. 1917. The bill makes privately owned wetlands that the Dept. of Transportation acquires for replacing wetlands lost due to transportation projects eligible for a \$3 per acre payment in lieu of taxes. To qualify under the bill, a county must have more than 500 acres of qualifying wetlands. The only qualifying county is Polk County, according to a fiscal note on the bill.

S.F. 131, S.F. 1633 and S.F. 1917 were incorporated into the division's omnibus tax proposal. All other bills considered were laid over for future consideration.

## Taxes

### Draft articles prepared

Members of the Tax Committee met Weds., Apr. 18, to consider several bills and begin drafting the committee's omnibus tax proposal. Committee Chair Lawrence Pogemiller (DFL-Mpls.) presented members with draft articles for working on the proposal.

Sen. William Belanger (R-Bloomington) presented S.F. 2298. The measure reduces individual income tax

rates by 5 percent, increases the working family credit, reduces the rate of the alternative minimum tax on individuals by 5 percent and reduces withholding rates by 5 percent. The bill includes the property tax reform plan proposed by the governor and updates Minnesota law to recognize changes in the federal tax code. The proposal also exempts insurance companies that pay gross premiums taxes from the corporate franchise tax and provides for a 100 percent sales apportionment formula in the corporate franchise tax. S.F. 2298 makes new clothing taxable but maintains a sales tax exemption for used clothing and sewing materials. Under the bill, the sales tax exemption for capital equipment will be applied at the point of sale. The bill also repeals the health care provider tax.

Wayne Cox, Minnesota Citizens for Tax Justice, said current economic projections show an economy in even greater decline than the February forecast released by the Dept. of Finance projected. If a revenue forecast were to be released now, he said, it would likely show a major decline in the surplus for FY 2002 and FY 2003. It does not appear, Cox said, that the revenues are available for significant tax reform.

He also said that adding clothing to the sales tax base does not make the tax system more progressive. Because people with lower incomes spend a higher percentage of their incomes on clothing, Cox said, adding clothing to the sales tax base creates a more regressive tax.

Representing the Minnesota Retailers Association, Annette Henkel said the current sales tax exemption for clothing is crucial for Minnesota business, especially in border communities. Tourists come here to shop, she said, and view the clothing exemption as an instant 6.5 percent discount over other states. Henkel also said retailers across the state are being challenged by Internet sales. The playing field is level now, she said, because neither Minnesota retailers nor on-line retailers are subject to a sales tax.

Belanger said people come to Minnesota to shop at the Mall of America and not because of a sales tax exemption. Sen. Bob Kierlin (R-Winona) said that if Henkel's argument about border communities were true, Winona would be a shopping mecca for Wisconsinites. Rather, he said, Winona residents drive over 30 minutes to shop in Wisconsin instead of

driving the same distance to Rochester to shop or shopping in their own community. The bill was laid over for future consideration.

Sen. Dean Johnson (DFL-Willmar) presented S.F. 23. The bill provides a solid waste tax waiver and property tax abatement as part of disaster relief and assistance for Yellow Medicine and Chippewa Counties. Sen. Jane Krentz (DFL-May Township) carried S.F. 153, a bill to dedicate all revenue from the state lottery tax to the game and fish and natural resources funds starting in FY 2002. Both bills were approved and re-referred to the Finance Committee.

S.F. 1743, authored by Krentz, changes the revenue collection and spending authority for the Minnesota Pollution Control Agency (PCA). The bill eliminates restricted accounts within the environmental fund and retains the revenues currently deposited in those accounts within the environmental fund. The measure also deposits half the revenues from the solid waste tax in the environmental fund, repeals the hazardous waste administration fees and the water quality permit fees and creates a remediation fund. PCA Deputy Commissioner Lisa Thorvig said the bill provides the agency with a more stable funding source. Paula Maccabee, Sierra Club, said the proposal is not an ideal solution to funding shortages at the PCA but does provide a necessary minimum for environmental protection. However, she said, the club does not support eliminating the hazardous waste and water quality fees. Dart Poach, Minnesota Cleaners Association, objected to a provision in the bill to divert interest accrued by the Drycleaner Environmental Response Reimbursement Fund (DERRF) to general agency uses. He said DERRF interest is currently used by drycleaners to fund investigations and cleanup. Sen. Bob Lessard (IND-Int'l. Falls) said it was uncommon for a group to ask to tax itself and fund cleanup as the drycleaners had when DERRF was created. Tony Kwilas, Minnesota Chamber of Commerce, opposed the bill saying there is a surplus in the solid waste fund now and the bill unfairly uses a previously dedicated fund to pay for general agency costs. Krentz and Thorvig said the bill's provisions are necessary to maintain an underfunded agency. The bill was approved and re-referred to the Finance Committee.

## Floor action

### Wednesday, April 18

#### Non-controversial bills passed

Senators devoted the Weds., Apr. 18, floor session to taking action on nearly three dozen bills. None of the bills were controversial and all were given final passage. Members began by considering two measures returned from the other body for concurrence and repassage. The Senate repassed S.F. 319, authored by Sen. Roger Moe (DFL-Erskine), regulating the discharge of judgements against bankruptcy debtors and S.F. 456, carried by Sen. Linda Berglin (DFL-Mpls.), allowing mental retardation and related conditions waiver recipients access to respite care in intermediate care facilities for persons with mental retardation and related conditions.

Members also gave final passage to three bills on the Consent Calendar. S.F. 1090, authored by Sen. Mady Reiter (R-Shoreview), adds an alternative form for minor age certification for employment purposes. H.F. 707, carried by Sen. Randy Kelly (DFL-St. Paul), classifies Carisoprodol as a controlled substance upon the effective date of a final rule adding the drug to the federal schedules of controlled substances. S.F. 1544, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), provides for the advertising, submitting, receiving or posting of highway construction and maintenance bids, security guarantees or contract bid records electronically or over the Internet.

The balance of the bills heard at the Wednesday floor session were all designated Special Orders. Bills designated special orders are eligible for final passage, yet may be debated and amended prior to third reading and a roll call vote.

H.F. 1084, sponsored by Sen. James Metzen (DFL-South St. Paul), is a Dept. of Commerce banking bill that modifies investment authority and record keeping requirements; regulates certain rates, charges, fees, and disclosures; and exempts unstaffed after-hour drop boxes from detached facilities regulation. H.F. 1159, carried by Sen. Don Samuelson (DFL-Brainerd), changes the method of previously authorized funding for a construction project at Gillette Children's Hospital and a transportation capital improvement project.

H.F. 149, sponsored by Sen. Linda Higgins (DFL-Mpls.), regulates the serving,

selling and labeling as Halal, those products that have been prepared and maintained in compliance with the laws and customs of the Islamic religion.

Four bills authored by Sen. Jim Vickerman (DFL-Tracy) received final passage. S.F. 849 allows three employees at the Center for Rural Policy and Development to participate in state insurance, retirement and other plans that apply to state employees. Vickerman offered, and members adopted, an amendment removing the provisions relating to retirement and deferred compensation from the bill. He said the main goal for the employees was to be eligible for the state group insurance plans. S.F. 986 is the omnibus lawful gambling bill that modifies the definition of lawful purpose, amends requirements for illegal gambling enforcement and allows noon hour bingo. S.F. 1674, also relating to gambling, authorizes the use of unmarked motor vehicles by investigators of the Gambling Control Board and exempts the vehicles from payment of registration tax. S.F. 1707 defines certain employees of the commissioner of public safety as public safety officers for purposes of public safety officer's survivor benefits.

Sen. Leo Foley (DFL-Coon Rapids) also authored four measures that received final passage. S.F. 1583 amends the definition of the child neglect law to allow a more rapid response to allegations of neglect. Foley said the bill specifies that the child be seriously endangered rather than imminently and seriously endangered in one of the sections of the definition. S.F. 715 modifies the penalties for noncompliance with work reporting for child support purposes and requires payers who hire independent contractors to comply with the work reporting law. S.F. 1297 modifies the requirement for reporting gunshot wounds. H.F. 275 modifies the procedure for counting savings under nursing facility closure plans.

S.F. 1479, authored by Sen. Dennis Frederickson (R-New Ulm), coordinates drinking water and wastewater funding requests. S.F. 341, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), requires credit transfer for certain courses taught within the MnSCU system. S.F. 1680, authored by Sen. Martha Robertson (R-Minnetonka), is a Department of Administration housekeeping measure that extends the expiration date of several

# Committee update

advisory councils, extends the term of the shared-savings program for energy conservation in state-owned buildings, authorizes Indian tribal governments to be served by the state information infrastructure and cancels the conveyance of surplus land to Sauk Centre.

Chief author, Sen. Cal Larson (R-Fergus Falls) said H.F. 125 is one of several bills going through the Legislature that attempts to alleviate the shortage of dentists in Greater Minnesota. The bill modifies licensure requirements for foreign trained dentists. S.F. 1199, also sponsored by Larson, provides for the borrowing authority of county hospitals, establishes a uniform approach to governmental hospital borrowing and modernizes hospital board membership criteria.

Members also granted final passage to a bill designed to curb the incidence of Internet child pornography. S.F. 969, sponsored by Chaudhary, extends the attorney general's and county attorney's authority for administrative subpoenas and enables peace officers to execute search warrants on corporations outside Minnesota, but doing business in the state, to search for electronic evidence of child pornography. The measure also enhances penalties for the dissemination and possession of pornographic work involving children.

Two measures sponsored by Berglin were also approved on Special Orders. S.F. 861 adds MDMA, popularly known as the drug ecstasy, to the list of schedule I controlled substances. S.F. 1834 establishes a demonstration employment training project for spoken language interpreters. Berglin said the bill expands on a project already underway by Abbott Northwestern Hospital and the Minneapolis Community College.

S.F. 2033, authored by Reiter, modifies the minimum education requirements for insurance agents. S.F. 824, sponsored by Kelly, clarifies the immunity from liability for persons rendering emergency care with external defibrillators. H.F. 704, carried by Lourey, creates an exception from the criminal rehabilitation provisions for emergency medical services personnel. H.F. 949, sponsored by Sen. Bob Kierlin (R-Winona), modifies requirements for qualified newspapers serving smaller local public corporations.

Sen. Don Betzold (DFL-Fridley) carried three measures that received final

passage. S.F. 197 imposes a felony penalty for aggravated cruelty to pet or companion animals. S.F. 780 regulates rulemaking by state agencies by making a variety of technical and housekeeping changes. S.F. 1008 authorizes a licensee of the Minnesota Racing Commission to detain persons suspected of cheating in card clubs or horse racing.

Finally, three bills carried by Sen. Charles Wiger (DFL-North St. Paul), were granted final passage. S.F. 1432 permits periodic police civil service examinations and clarifies that qualified applicants may be added to eligible registers after inception. S.F. 1706 allows public elementary and secondary school students to possess and use asthma medications. S.F. 1611 makes technical changes relating to vocational rehabilitation and modifies procedures for grants to rehabilitation facilities.

## Thursday, April 19

### Special orders bills passed

In addition to debating and passing the bill and resolution relating to redistricting, Senators granted final passage to several other bills on Special Orders at the Thurs., Apr. 19, floor session.

S.F. 1212, sponsored by Sen. Leo Foley (DFL-Coon Rapids), clarifies the use of certain factors, primarily domestic abuse, in determining the best interests of a child. Members adopted an amendment, offered by Sen. Thomas Neuville (R-Northfield), clarifying that the allegations of domestic abuse must have occurred prior to the divorce proceedings. S.F. 1222, carried by Sen. Charles Wiger (DFL-North St. Paul), authorizes the placement of a plaque on the Capitol Mall recognizing the service of Minnesota's civilians who contributed valiantly to the nation's war effort during World War II.

Three bills authored by Sen. Ann Rest (DFL-New Hope) were granted final passage. H.F. 867 authorizes the Suburban Hennepin Regional Park District to set commissioners' compensation, clarifies the district's boundaries, clarifies that meetings must be held in conformance with the open meeting law and authorizes the district to enter into joint powers agreements. S.F. 1610 regulates the liquidations and investments of insurers. H.F. 2119 amends charitable organizations report filing requirements by aligning state and federal report deadlines.

S.F. 321, authored by Sen. Dave Kleis (DFL-St. Cloud), provides for a background study before the appointment of guardians or conservators, authorizes access to data on substantiated maltreatment of vulnerable adults and provides for background study systems and records in the Department of Human Services.

Sen. Jane Ranum (DFL-Mpls.) also carried three bills that received final passage. S.F. 1414 makes it a crime for employees, contract personnel or volunteers of a correctional system to engage in sexual activities with offenders in correctional facilities. S.F. 1374 requires a sex offender assessment for certain repeat sex offenders. S.F. 1797 regulates neighborhood organizations, provides for the election of directors and specifies voting rights and meeting notice requirements.

Members also granted concurrence and repassage to S.F. 1709. The bill, carried by Sen. Dean Johnson (DFL-Willmar), exempts certain towed implements of husbandry from the requirement to display tail lamps.

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# Preview

## Monday, April 23

### Rules and Administration Committee

*Chair: Sen. Roger D. Moe*

8:30 a.m. Room 107 Capitol

**Agenda:** S.F. 1579-Hottinger: Election campaign finance provisions modifications. Late bills: S.F. 1760-Johnson, David: Workforce development programs administration, departments of economic and workforce development and employment services, and results oriented job training grants; S.F. 1367-Lourey: County creation and boundary change procedures modification; and S.F. 1004-Lourey: Farm tractors clock hour meters tampering.

The Senate will be in session at 10 a.m.

### Education Committee

*Chair: Sen. Sandra Pappas*

1 p.m. Room 123 Capitol

**Agenda:** Higher education omnibus budget bill.

### Environment and Agriculture Budget Division

*Chair: Sen. Leonard Price*

1 p.m. Room 118 Capitol

**Agenda:** Division omnibus budget bill.

### Health, Human Services and Corrections Budget Division

*Chair: Sen. Linda Berglin*

1 p.m. Room 316 Capitol

**Agenda:** S.F. 264-Johnson, David: DWI felony level offense. Allocations: Human services, health, veterans nursing homes, corrections, and health related boards.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

1 p.m. Room 15 Capitol

**Agenda:** Omnibus tax bill.

### Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

1 p.m. Room 125 Capitol

**Agenda:** S.F. 1997-Pogemiller: Metropolitan Council transit and paratransit capital expenditures bonding authority. S. F. 1541-Oliver: Commerce Department provisions modifications. S. F. 681-Lesewski: King of Trails highway designation. S. F. 1017-Terwilliger: Traffic signal violations photographic evidence programs. S. F. 1570-Johnson, David: Fire marshal duties modifications and state fire marshal account recreation. S. F. 2039-Samuels: Special choose life license plates.

### Joint Subcommittee on Claims

*Co-chairs: Sen. Randy Kelly and Rep. Bill Haas*

4 p.m. Room 500N State Office Building

**Agenda:** Claims against: Minnesota OSHA, Dept. of Natural Resources, Dept. of Transpor-

tation, Dept. of Public Safety, Dept. of Revenue. Other business.

## Tuesday, April 24

The Senate will be in session at 9 a.m.

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

1 p.m. Room 123 Capitol

**Agenda:** Environment and Agriculture Budget Division omnibus bill. Higher Education Budget Division omnibus bill.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

Following Finance Committee Room 107

Capitol

**Agenda:** Budget allocations.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

1 p.m. Room 15 Capitol

**Agenda:** Omnibus tax bill.

### Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

Following Finance Committee Room 125

Capitol

**Agenda:** S. F. 619-Ranum: Domestic abuse crimes provisions modifications. S. F. 38-Ranum: Criminal offenders identification data collection requirements expansion; conditional release data system district court access; criminal justice information system improvements continuation appropriations. S. F. 2170-Sabo: Metropolitan Airports Commission Coldwater Springs land acquisition. S. F. 1165-Johnson, David: Metropolitan transportation improvement board; metropolitan area additional sales and motor vehicle excise taxes for bus and highway improvements.

## Wednesday, April 25

The Senate will be in session at 9 a.m.

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

1 p.m. Room 123 Capitol

**Agenda:** Transportation and Public Safety Budget Division omnibus bill. Health, Human Services and Corrections Budget Division omnibus bill.

### State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

Following Finance Committee Room 107

Capitol

**Agenda:** Budget allocations.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

1 p.m. Room 15 Capitol

**Agenda:** Omnibus tax bill.

### Transportation and Public Safety Budget Division

*Chair: Sen. Dean E. Johnson*

Following Finance Committee Room 125

Capitol

**Agenda:** S. F. 386-Ranum: Racial profiling. S. F. 829-Murphy: Motor vehicle registration transactions filing fee increase.

## Thursday, April 26

The Senate will be in session at 9 a.m.

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

1 p.m. Room 123 Capitol

**Agenda:** State Government, Economic Development and the Judiciary Budget Division omnibus bill.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

1 p.m. Room 15 Capitol

**Agenda:** Omnibus transportation and public safety budget bill.

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

3 p.m. Room 123 Capitol

**Agenda:** Capital investment bill.

### Education Committee

*Chair: Sen. Sandra Pappas*

6 p.m. Room 123 Capitol

**Agenda:** Omnibus E-12 education budget bill

## Friday, April 27

The Senate will be in session at 9 a.m.

### Capital Investment Committee

*Chair: Sen. Keith Langseth*

1 p.m. Room 123 Capitol (unless bill is completed on 4-26)

**Agenda:** Capital investment bill.

or

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

1 p.m. Room 123 Capitol

**Agenda:** Capital Investment Committee omnibus bill.

### Tax Committee

*Chair: Sen. Lawrence Pogemiller*

1 p.m. Room 15 Capitol

**Agenda:** Omnibus E-12 education budget bill.

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Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
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DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
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# Senate Briefly

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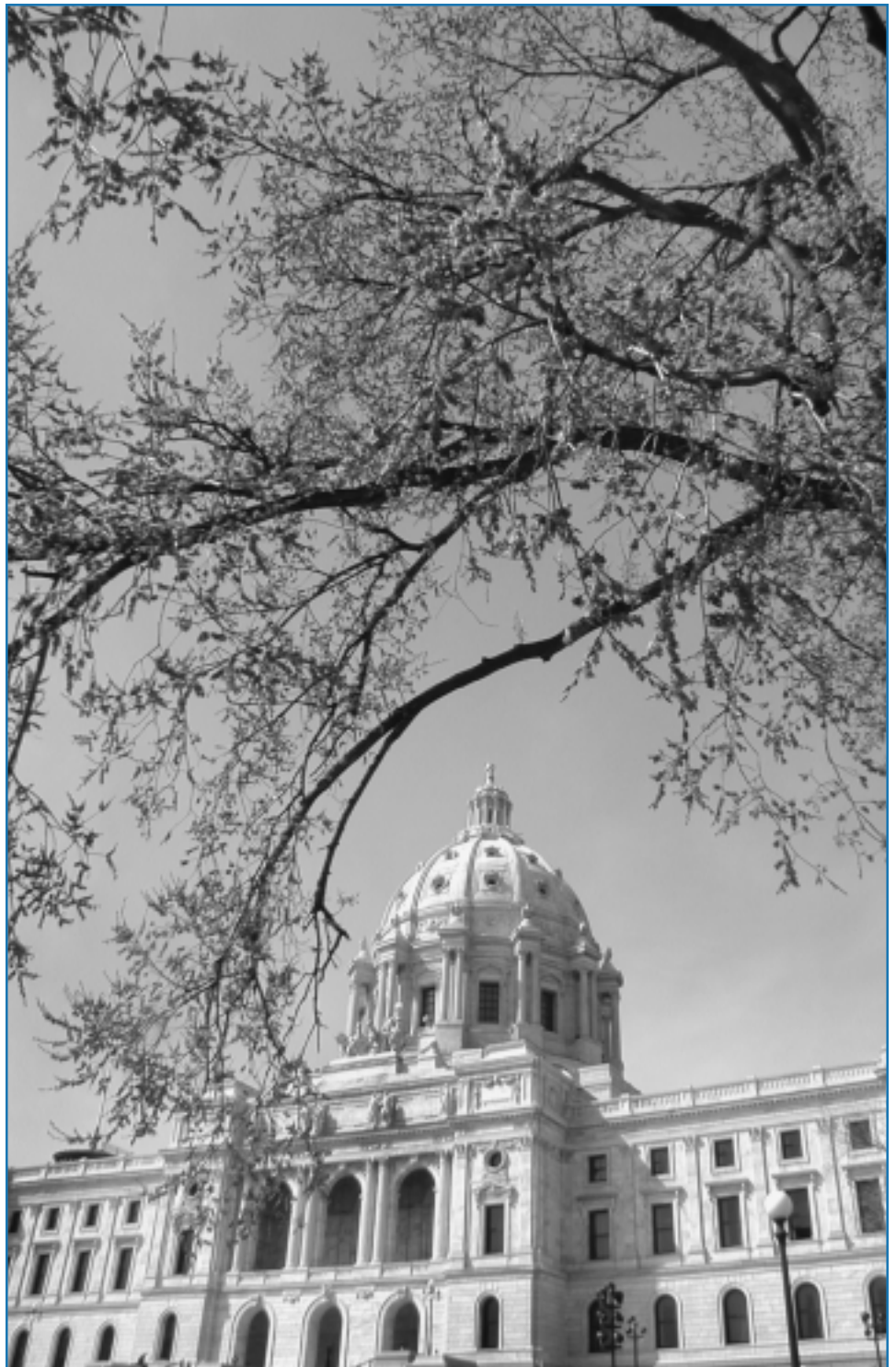
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*Coaxed by the warmth of a late April sun, leaves finally emerge on the Capitol grounds.  
Photo by David J. Oakes*



April 27, 2001

# Senate Highlights

## Spending, tax bills developed

Senators continued refining the omnibus tax and spending bills throughout the week. The first of the major spending bills, S.F. 2351, the omnibus agriculture and environment funding bill and S.F. 2343, the omnibus higher education funding bill, were both granted final passage at the Thurs., Apr. 26, floor session. Earlier in the week, members considered a number of bills considered noncontroversial.

Nearly all of the committee activity was concentrated in budget divisions. Next week, nearly all committee activity will revolve around the full Tax Committee or the full Finance Committee. Members will also continue meeting in daily floor sessions next week.

## Ag and environment bill passed

The floor session Thurs., Apr. 26, was primarily devoted to the passage of the agriculture and environment omnibus bill and the higher education omnibus bill.

Members began with consideration of the environment and agriculture omnibus funding bill. Sen. Leonard Price (DFL-Woodbury), chair of the Environment and Agriculture Budget Division, outlined the bill. The measure, totalling over \$809

million in direct appropriations for the next biennium and \$448 in general fund direct appropriations, surpasses the governor's budget by \$30.4 million, Price said. He mentioned \$2.5 million for grants to feedlots, a \$750,000 emergency livestock disease fund, \$6 million for Metro Area parks, over \$2 million to fund the conservation reserve enhancement program (CREP), and \$2.7 million for the dairy diagnostics program.

Further environmental portions of the bill include funding for the Minnesota Conservation Corps young adult program, state park land acquisition, monitoring of air toxics in Minneapolis, increased forest management, emergency response infrastructure near the Boundary Waters Canoe Area, ring dikes, and a study of lead levels in bald eagles. Agricultural initiatives funded include livestock grazing specialists, John's disease prevention, agriculture in the classroom, beaver control and organic and sustainable agriculture. The bill also provides for a full dedication of lottery in-lieu-of-sales-tax revenue to natural resources and a consolidation of funds at the Pollution Control Agency (PCA) to address a budget shortfall.

The bill generated considerable debate over a number of amendments. Sen. Dan Stevens (R-Mora) offered an

amendment to shift \$2.5 million away from Metro Area parks and use \$1.5 million to address the water permitting backlog at the PCA and \$1 million to provide interest-free loans to farmers to install manure digesters that produce energy. Stevens said the funds available for manure digesters are woefully inadequate, and water quality should be addressed before recreation. "Who wants to go to a park when all you see in the ponds is green scum?" he said. Price said funding for Metro Area parks is well below the level agreed on long ago and Metro Area parks are more heavily visited than state parks. The amendment was defeated 24-40.

Sen. Ellen Anderson (DFL-St. Paul) revived the debate over subsidizing an environmental impact study (EIS) at the Hancock Pro Pork facility, offering an amendment to shift the \$108,000 earmarked for the EIS to cost-share grants for feedlots. Anderson said funding the EIS sets a bad precedent, encouraging companies not to comply with environmental review.

Sen. Charles Berg (R-Chokio) explained the unique circumstances of the Hancock case, saying the company was required by a lawsuit to perform a costly EIS after receiving a permit from the PCA. The company is now facing a financial crisis as a result of the government changing rules and not backing up its decisions, he said. Sen. Dallas Sams (DFL-Staples) also opposed the amendment, saying that farmers will be lost if the state adopts a standard so high that it bankrupts businesses started in good faith. The amendment failed on a 24-40 vote.

Members later adopted an amendment, offered by Anderson, to clarify that the EIS subsidy is only available to the Hancock facility. Sen. Thomas Neuville (R-Northfield) offered another amendment related to the Hancock issue, providing that the PCA may hire outside counsel if the attorney general refuses to defend the agency in a court case. The amendment was defeated.

An amendment offered by Sen. Chuck Fowler (DFL-Fairmont) extends to June 30, 2003 the deadline for the city of Fairmont to use a \$500,000 grant received a few years ago for the purpose of building a soybean processing plant. There had been discussion of taking back the as yet unused grant to free up funds for the Hancock EIS. The amendment was adopted on a 48-13 vote.

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Sen. Dennis Frederickson (R-New Ulm) offered an amendment related to ethanol subsidies. In the omnibus bill, two new ethanol plants are authorized and subsidy funds, if inadequate for all facilities, are to be divided on a pro rata basis. Frederickson's amendment provides that no existing ethanol plant will have its subsidy reduced. The plants made financial arrangements based on expected subsidies, he said. Sen. Steve Murphy (DFL-Red Wing) opposed the amendment, saying the plants are doing well financially, and the usual practice has been to remedy any shortfall by backfilling funds in later sessions. The amendment was adopted on a 48-13 vote.

Sen. Jim Vickerman (DFL-Tracy) later moved for a second vote on the amendment, saying he now realizes the consequences of Frederickson's amendment are that no new ethanol plants will receive funds. On the second vote, the amendment again prevailed 34-30. Members also adopted an amendment, offered by Sen. Steve Dille (R-Dassel), providing that investors who have not yet invested in ethanol plants will have priority in any new plants.

Sen. Michelle Fischbach (R-Paynesville) offered an amendment to allow the hunting of deer in a wildlife preserve. She said it will be good for the rural economy, and Sen. Dave Kleis (R-St. Cloud) pointed out that the practice is permitted in 31 other states. Sen. Jane Krentz (DFL-May Township) said the Dept. of Natural Resources (DNR) opposes the policy, and she does not think the state should permit the shooting of penned animals. The amendment was defeated on a 26-35 vote.

An amendment, offered by Kleis, provides that regional parks in Greater Minnesota, rather than just Metro Area parks, receive lottery in-lieu-of-sales-tax proceeds. Krentz opposed changing the set policy for allocation of lottery proceeds and said other funding sources are available for regional parks. The amendment was defeated 16-46.

Two amendments offered by Price were adopted with little controversy. One amendment moves funding for the Minnesota certification program to the farm wrap outreach program. Another makes a technical fix to ensure that funds originally allocated for Grey Cloud Island are transferred to state park acquisition, in light of lease difficulties with the Grey Cloud project.

Finally, Sen. Roger Moe (DFL-Erskine) offered an amendment related to conservation officer overtime. Under the current bill, the number of overtime hours are mandated, creating an added expense when new officers are hired. The amendment allows the current number of overtime hours to be allotted among all officers, including new hires. The amendment was adopted. The omnibus bill was then approved on a 47-13 vote.

### Higher ed package okayed

Sen. Deanna Wiener (DFL-Eagan), chair of the Higher Education Budget Division, presented the higher education omnibus bill. "The bill is about our future," she said. "Higher education in this state is our future." A total of \$2.9 billion is dedicated to higher education through the bill. Of that money, \$283 million is new spending. The sum of new money is nearly halfway between the \$99 million recommended by the governor and the total \$518 request from higher education agencies' requests, Wiener said.

The bill provides \$138 million of new funding to the University of Minnesota. The appropriation, which is \$83 million less than the school requested but \$90 million more than the governor's recommendation, is accompanied by an accountability measure. The provision requires the University to submit a report to the Legislature in odd-numbered years detailing how the institution allocated the appropriation, the amount of money reallocated internally to support the system's priorities, efforts made to recruit and retain minority students and other standards. A hold is placed on \$1 million of school's appropriation until the report is complete. The bill also requires accountability from the Academic Health Center, which must collaborate with the Department of Health to investigate the state's health care delivery and health professional training.

The Minnesota State Colleges and Universities (MnSCU) receives \$130 million in new money under the omnibus bill. The system is required to provide a report to the Legislature every other year similar to the one required from the University of Minnesota. The bill also provides that MnSCU must implement the Minnesota transfer curriculum, which allows credits earned through courses in the program to be valid at all MnSCU institutions. The bill also encourages the

growth of new technology programs by setting up grants to be given to campuses that establish innovative technical degrees, such as the bachelor of applied science.

Sen. John Hottinger (DFL-Mankato) offered an amendment that dedicates \$60,000 of the MnSCU appropriation to the math program for talented youth offered through Mankato State University. He said the provision is an equality measure because funds had been given to a similar program offered through the University of Minnesota campuses. The amendment was adopted.

The Higher Education Services Offices is appropriated \$14 million in new spending by the bill. Like the University and MnSCU, the agency must report to the Legislature on accountability measures. The report must describe potential uses of savings from federal Pell grant changes, models for the creation of a state merit scholarship program, a plan to reduce the cost of reciprocity agreements and new methods of collaboration among higher education institutions.

The Senate passed the higher education omnibus bill, S.F. 2343, on 46-18 vote.

In other action, the Senate granted final passage to all bills given preliminary passage at the Weds., Apr. 25, floor session. The only exception was the Dept. of Corrections bill, H.F. 1261, which will be considered for final passage Fri., Apr. 27. The members also adopted a resolution honoring John R. Borchert, who died in March and had been a Regents' professor at the University of Minnesota.

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# Committee update

## Education

### Higher ed bill approved

Members of the Education Committee, chaired by Sen. Sandra Pappas (DFL-St. Paul) came together Mon., Apr. 23, and okayed the higher education omnibus bill.

Sen. Deanna Wiener (DFL-Eagan), chair of the Higher Education Budget Division, presented the bill, which appropriates \$2.9 billion to higher education, to the panel. She offered an amendment that added \$6 million to the total appropriation. The change is necessary, she said, because of an underestimation of the higher education budget allocation. Under the amendment, an

additional \$3 million is provided for both the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) for basic salary increases for faculty and staff.

As amended, the omnibus bill appropriates a total of \$277 million in new money for higher education purposes for the next biennium. The figure falls halfway between the \$518.436 million total request from the University, MnSCU and the Higher Education Services Office (HESO) and the governor's proposed \$99.42 million appropriation.

Under the bill, the University receives \$135.36 million in new funding. The bill also requires the University to report to the

Legislature in odd-numbered years on several accountability measures including how an appropriation is spent, the amount of money reallocated internally to support the institution's priorities and improvements in the recruitment and retention of minority students. Wiener said, "With the commitment we have given to higher education, we want to make sure there is some accountability with it."

The omnibus bill stipulates that the MnSCU system, to which the bill allocates \$127 million in new money, must also report to the Legislature on the same accountability standards as the University. Furthermore, the bill creates a reward system for MnSCU campuses that develop new and innovative technical programs and degrees in emerging fields of employment or create transfer oriented degrees such as the bachelor of applied science. The bill states that MnSCU campuses that complete the requirements may receive grants of up to \$500,000 and that a total of \$1.5 million may be given in awards. The bill also requires MnSCU to implement a Minnesota Transfer Curriculum to provide a smooth transition between MnSCU campuses. MnSCU, under the bill, must examine the transfer process between MnSCU programs and other public and private colleges and universities in Minnesota.

The omnibus measure allocates \$14 million in new funding to HESO. As with the University and MnSCU, the bill requires HESO to report to the Legislature on a number of accountability standards such as reducing the cost of reciprocity agreements with other states, improving student access while lowering cost and the use of savings from Pell grant increases. The bill also adjusts the formula for calculating student need to reflect increases in federal Pell grant awards.

The committee recommended the higher education omnibus bill to pass and re-referred the measure to the Finance Committee.

## E-12 Education Budget Division

### Ed bill nears completion

The lone agenda item for the Thurs., Apr. 19, meeting of the E-12 Education Budget Division was a final review of the departmental bill, S.F. 1063. The general education provisions of the bill had been



Members of Target Market, a youth-led grassroots movement against the tobacco industry, gathered on the front steps of the Capitol Tues., Apr. 24, to promote their efforts to eliminate youth-targeted tobacco advertising.

Photo by Shelley Hawes

reviewed and approved for inclusion at a prior meeting.

Senate staff and department representatives presented the current version of the portions of the bill pertaining to child abuse prevention; self-sufficiency and life-long learning; educational excellence; special programs; facilities and technology; nutrition programs; and libraries. All of the articles were approved, with blank appropriations, for inclusion as part of the framework. Sen. Becky Lourey (DFL-Kerrick) presented an omnibus bill from the Subcommittee on Early Childhood Education, which the division amended, with blank appropriations, into S.F. 1063 to become the article on early childhood.

The two areas of the bill that still required clarification for some of the members were sections on testing and on debt service equalization. On testing, the bill adds standard testing of students at the seventh grade level to fill a middle-grade requirement in federal guidelines. Sen. Grace Schwab (R-Albert Lea) said she is concerned about the amount of testing in place since the state already has testing in third grade, fifth grade, and high school. Rose Hermanson from the department said that a new test has to be developed because neither the fifth grade nor the high school tests fall within the specified grade span required under federal Title I.

On debt service equalization, Tom Melcher from the department described the new two-tiered approach outlined in the bill. He said the bill provides a higher equalizing factor for the portion of a district's tax rate that falls above a certain threshold. Where the threshold is set will depend on what happens to tax rates in general in the Tax Committee, Melcher said. He also clarified a new requirement for capital loans. Under the bill, the current requirement that the district remain at a level of 80 pupils per grade is replaced with a broader requirement that the facilities retain a useful public purpose for at least the life of the bond.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chair of the division, said the final draft of the omnibus bill will be completed and available to members by Mon., Apr. 23.

## **E-12 omnibus bill outlined**

The E-12 Education Budget Division met Mon., Apr. 23, to review the E-12 Education omnibus bill draft. Sen. LeRoy Stumpf (DFL-Thief River Falls), division

chair, said that the E-12 funding package is not as complete as division members would have liked. However, he said, "This funding package moves us down the road of equity and recognizes the real cost of education."

Funding was addressed first by committee members. The bill provides a 2.6 percent increase in the formula allowance in FY 02 and a 3 percent increase in FY 03. The bill also transfers \$461 per pupil from the supplemental referendum and transition revenue program, streamlining the overall general education program. The transfer means additional revenue for districts with referendums below the equalized amount of \$461 per pupil, and property tax reductions for districts with referendums exceeding \$461 per pupil. Another provision also more than doubles the equity revenue program, which benefits school districts with low property wealth per pupil.

In accordance with the governor's budget recommendation, the pupil accounting system is simplified by compressing the pupil weights and adjusting the formula allowance. "These funding provisions contain reform as well as increased funding for all students," said Senate Fiscal Analyst Eric Nauman.

The bill also provides \$90 million in increased special education funding in FY 03 and FY 04. The special education cross-subsidy is minimized through a 10 percent per year increase in special education revenue, which is a 3 percent growth over current special education costs in school districts, said Nauman.

Under the bill, student progress and teacher retention are addressed. One provision requires that grade seven students take the Minnesota comprehensive test, which is targeted to serve as a measure for the Profiles in Learning initiative. Another provision provides teacher mentoring, a school loan forgiveness program and a tuition reimbursement program, which coincides with the governor's "Teachers for the 21st Century initiative." The governor also recommends eliminating the present teacher pay structure and moving to a performance-based system, which the bill also does.

Early childhood programs have been consolidated under the bill. A provision consolidates several programs by placing all participants who are at 50 percent of state median income (SMI) in a forecasted

program. Eligibility changes, under the bill, allow for program entry and exit at 75 percent SMI. Members said the provision streamlines administration and provides more equity.

Another early childhood initiative in the bill integrates care and services at the local level, ensuring a more coordinated and user-friendly system for families.

In response to a Legislative Auditor's report, the Department of Children, Families and Learning is required, under the bill, to establish an internal audit office to aid in preventing accounting inaccuracies.

Several programs are initiated in the bill, including a grant program for electronic delivery of courses and a pilot program to identify children who are eligible for the free and reduced lunch program by allowing the commissioner of revenue to match tax returns with student data.

The E-12 Education omnibus bill funding package contains \$500 million in new spending, said Stumpf.

## **E-12 amendments discussed**

Over three dozen amendments were heard by the E-12 Education Budget Division during omnibus bill discussions Tues., Apr. 24.

The first amendment was offered by Sen. Jane Ranum (DFL-Mpls.). The provision appropriates \$20,000 in FY 02 to the Department of Children, Families and Learning (CFL) to study current practices and program models, as well as best practice research into effective methodology for instructing students with limited English proficiency. The amendment was adopted.

Ranum also presented an amendment establishing a Board of Education Leadership, which has authority to grant a variance to rules governing licensure of teachers for those teachers licensed by the Board of Teaching or Board of Education Leadership. The amendment was laid over for further discussion.

Sen. LeRoy Stumpf (DFL-Thief River Falls), division chair, authored an amendment that directs the commissioner of Children, Families and Learning to establish an internal audit office responsible for submission of annual reports to the commissioner on contract policies, procedures and controls. The amendment was adopted.

# Committee update

Six amendments offered by Sen. Sandra Pappas (DFL-St. Paul) were adopted. The first amendment allows districts to reallocate general education revenue from certain grade 12 students for all day kindergarten programs. Under the amendment, revenue may be reallocated if a grade 12 student has graduated early or if the district adopts a policy to allow grade 12 students to attend school half time. Additionally, the revenue attributable to the student must be paid to the district as though the student were in attendance for the entire year.

Another Pappas amendment provides grants for a community-based organization, a local unit of government or a private foundation to establish a pilot project to provide early childhood care and school readiness opportunities for eligible children. Eligibility, under the amendment, requires children to be between the ages of birth and five years old and live in service areas where over 70 percent of families are eligible for the free or reduced school lunch program.

The amendment further states that the contiguous geographic area of each service area must include at least 200 children, birth to age five, and applicants must provide the commissioner a description of how the district will coordinate and provide certain services. Also, community-based organizations must first take advantage of all other state and federal funds for child care and establish procedures to ensure quality service and monitor service delivery, according to the amendment.

Another grant program amendment was offered by Pappas. In the amendment, the state total basic education aid set-aside for supplemental service grants begins in FY 02. Further, up to one-fourth of the appropriation must be used for grants for adult basic education programs and two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants.

Pappas' fourth amendment makes available \$550,000 in FY 02 until June 30, 2003, for regional training sites for HIV/STD education in schools. The appropriation must be used for continued development of the existing sites and \$50,000 for CFL technical assistance and contract management services, said Pappas.

In another Pappas' amendment, funds are appropriated in FY 02 to the Council on Black Minnesotans to fund the Martin

Luther King Jr. nonviolent institutional child development program. Under the amendment, the Council on Black Minnesotans is directed to plan, design, and implement the program, which must provide multi-institutional interdisciplinary community violence prevention and intervention programs. The provision allows the council to provide service to various institutions and program curriculum suggestions are outlined.

Pappas said the program must be evaluated based on outcome evaluation criteria determined by the commissioner of public safety, in consultation with the executive director of the council and a community-based advisory council before program implementation.

Sen. Martha Robertson (R-Minnetonka) also offered several amendments. School boards are allowed to require fees for student transportation under certain circumstances in Robertson's first amendment.

Special education cross-subsidy revenue was addressed in Robertson's next amendment, which requires that school districts receive a dollar amount equal to \$50 times the district's adjusted marginal cost pupil units for FY 02. The provision raises the \$50 amount in FY 03 and by January 31, 2004, CFL is directed to recalculate the revenue for districts, using actual data, and adjust the general education aid paid to districts for FY 02 by the amount of the difference between the estimated revenue and the actual revenue.

Further, Robertson said the amendment provides that special education cross-subsidy revenue must be used to pay for a district's unfunded special education costs that are currently cross-subsidized by the district's general education revenue. "The amendment helps the committee to assume its obligation on special education and helps get a balanced bill," she said. The amendment was defeated on an 8 - 9 vote.

Robertson's last amendment adds pre-service and in-service education for special education professionals and para-professionals to the list of recipients of in-service education for staff development provided with 2 percent of staff development revenue. The amendment was adopted.

Sen. Ann Rest (DFL-New Hope) authored an amendment providing a \$35,000 grant in FY 02 and FY 03 to the Warroad School District for operating the Angle Inlet School. The amendment was adopted.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment that appropriates \$100,000 to school sites for developing an electronic curriculum that focuses on limited English proficiency service, reading basics and gifted and talented instruction for all-day kindergarten classes. The amendment was adopted.

An amendment offered by Sen. Charles Wiger (DFL-North St. Paul) was also adopted. The provision adds an additional qualifying factor to the alternative facilities bonding and levy program. Under the amendment, buildings also qualify for funding if they are over 1.5 million square feet and the average age of the building space is 35 years or older. Although the amendment is estimated to cost about \$20 million in bonding and has \$2.6 million in tails, Pappas said, "It is good policy and the right thing to do." Stumpf said the amendment also reduces taxes.

Three amendments were also adopted which were offered by Sen. David Tomassoni (DFL-Chisholm). One amendment authorizes the Ely School District to levy up to \$100,000 in FY 03 for additional transportation capital costs associated with the annexation of Fall Lake Township. The next amendment, pertaining to health, safety and environmental management, directs the department to include private contractors as providers for health and safety services to school districts. The final amendment approves a hold-harmless provision for school districts that received money from a taconite referendum in FY 02.

Sen. Keith Langseth (DFL-Glyndon) offered an amendment appropriating \$200,000 in FY 02 for the Lincoln Learning Center School in Willmar for innovative education programs created to prepare children who are ill-prepared to learn due to poor oral language development and too few pre-reading experiences. The amendment was adopted. Langseth also presented an amendment appropriating money to Hamline University for on-line courses for licensure of Greater Minnesota teachers to teach English as a second language to adults. The program is contingent on a one-to-one match from private funding, said Langseth. An amendment was adopted striking Hamline University as the funding recipient in order to include other institutions. The amended amendment was approved.

An amendment, offered by Sen. David Knutson (R-Burnsville), was also approved. The amendment appropriates \$300,000 in FY 02 for grants to schools serving students with chemical dependency. The amendment was defeated. Knutson authored another amendment providing \$1 million in FY 02 for development of best practice programs. The amendment was approved.

Sen. Julie Sabo (DFL-Mpls.) presented four amendments, two of which were technical, that were adopted. An amendment qualifying that charitable organizations be registered with the attorney general's office was added to the requirements of recipients of after-school enrichment grants and the second amendment increases aid from 90 to 95 percent for reimbursement to providers of alternative education programs.

Sen. Becky Lourey (DFL-Kerrick) authored an amendment allocating \$1 million in FY 02 and FY 03 for the at-home infant child care program. Under the provision, any money not used for the program must be used for child care assistance. Further, if the commissioner determines that the department is unable to meet the child care and development fund match and maintenance of effort requirements, funds may be moved from the appropriation into an appropriation for the consolidated child care program.

Another provision in the amendment directs any funds appropriated to the child care assistance program, in excess of the forecasted amount, be allocated through an equity-driven formula. Under the amendment, districts receive additional early childhood family education aid for FY 02 equal to the greater of \$5.60 times 150 or the number of children residing in the district under age 5, whichever is larger. The amendment was adopted.

A Head Start initiative was also offered by Lourey. The amendment seeks to expand services, by allowing grantees to use state funds to provide service to children birth to age five and their families with incomes up to 120 percent of the federal poverty guidelines.

Eligibility requirements are also changed under the amendment. To be eligible for state funds, existing grantees must present a work plan to the commissioner for approval that includes the estimated number of low-income children and families to be served and a description of the program design and service delivery

areas which meet the needs of and encourages access by low-income working families. Finally, the work plan must assure coordinated service delivery with other early childhood care and education services. The amendment was adopted.

Sen. Jane Krentz (DFL-May Township) offered an amendment repealing the statute that adds three days to the school calendar. The amendment was adopted.

Krentz and Robertson presented separate amendments providing integration aid to school districts. The Krentz amendment directed aid to the east metro integration cooperative, district number 6067. The Robertson amendment directed aid to a district that is a member of a multi-district integration collaborative that is subject to a litigation settlement agreement and that has filed a plan with the commissioner, but is not contiguous to a racially isolated district. After some discussion, the amendments were withdrawn.

### **Omnibus bill okayed**

The E-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), put the finishing touches on the E-12 education omnibus bill when the group met Weds., Apr. 25.

The division began the hearing by examining an amendment offered by Sen. Kenric Scheevel (R-Preston). The amendment prohibits school districts from entering into contracts with teachers' unions if the agreement is not structurally balanced for the term of the contract. "Structurally balanced" is defined as all expenditure projections for term of the contract being fully supported by revenue projections for the same time period. The amendment specifies that the school board must make a good faith determination if the contract is structurally balanced.

Scheevel said the provision is needed to prevent schools entering into contracts they cannot afford to support and having to layoff teachers because of a lack of funding. "It is the schools' responsibility to only spend a dollar once and not to make commitments that are going to out do their funding streams," he said. "Every school has to balance its budget. The question is whether they do it before they settle contracts or when they run out of money and have to layoff teachers."

Sen. Jane Krentz (DFL-May Township) said that projecting the amount of funding schools will have is too difficult

to determine because funding variables, such as rising heating costs or the Legislature's budget for education, are unpredictable.

Jane Alswager, representing Education Minnesota, said, "The amendment balances budgets on the backs of teachers." Sen. Sandra Pappas (DFL-St. Paul) said, "It's a myth that we are going broke because of teachers' salaries. It's not fair to have teacher salaries and negotiation process blamed." Scheevel said the measure is not an attempt to reduce teacher salaries but to preclude layoffs. He withdrew the amendment.

The division continued a discussion about providing funding to magnet schools excluded from integration revenue. Krentz offered an amendment, which the panel adopted, that appropriates \$2.3 million to 6 school districts. The money, she said, substitutes the amounts the districts would have received if they had been included in the integration funding.

One amendment made adjustments to the E-12 funding formula. The division adopted changes in the pupil weight, compensatory and sparsity allowances that will be phased in over three years. Sen. Martha Robertson (R-Minnetonka) offered an amendment to the amendment that eliminates changes in the gifted and talented fund. The original amendment specifies that the amount of money put in the reserve is lowered from \$11 to \$6 and the difference is made up from funds for special education, lowering class sizes and all day kindergarten. The division adopted the amendment to the amendment.

Robertson also said that the omnibus bill does not permit districts that have passed referendums and receive no additional funding in the bill to help themselves through additional referendums. She offered an amendment that expands the cap for referendums. The measure does not lift the cap on referendums, she said, but adjusts the limit to allow for inflationary increases. Krentz said money should be spent on equity issues before it is spent on a levy for higher referendums. The division defeated the amendment.

The division approved an amendment, offered by Sen. David Tomassoni (DFL-Chisholm), that creates a mineral lease suspense account. The amendment requires payments made under a mineral rights lease held by the state by virtue of a

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school to be put into the suspense account. A certain amount of the funds are given to school to cover administration of mineral leases, the permanent school fund and the general fund, as stipulated in the amendment. The measure states that the amount of money put into the general fund from the suspense accounts must be granted to taconite mining companies for product improvements, value-added production or cost-savings improvements. Tomassoni said that investing in taconite production and industrial growth on the range increases the possibility that economic redevelopment will occur in the region and schools, in the long run, will be able to take in more revenue from property taxes. The division adopted the amendment.

Sen. Charles Wiger (DFL-North St. Paul) offered an amendment that allows ten percent of a district's career and technical aid to be spent on salaries paid to licensed school counselors. He said Minnesota has the second lowest number of school counselors in the country. Sen. Jane Ranum (DFL-Mpls.) said that not all school districts receive career and technical aid and something should be done to help them as well. The committee adopted Wiger's amendment.

Sen. Ann Rest (DFL-New Hope) presented two amendments that the division adopted. The first dedicates \$20,000 of the education appropriation to the foreign teacher exchange that creates international programming with Australia, New Zealand, Netherlands, and China. The second amendment excludes sports arenas from the definition of buildings for "instructional purposes" that is used in determining the ability of a school district to levy funding for the lease of a building.

The division approved the omnibus bill, as amended, and referred the measure to the full Education Committee.

## Higher Education Budget Division

### Omnibus bill finished

Members of the Higher Education Budget Division wrapped up discussion of the higher education omnibus bill when the group met Thurs., Apr. 19.

The committee appropriated a total of \$2.9 billion to higher education purposes. The sum includes \$277 million of new spending for higher education purposes of

which \$135 million is for the University of Minnesota, \$127 is for the Minnesota State Colleges and Universities (MnSCU) and \$14 is for the Higher Education Services Office (HESO). The total appropriation for the University of Minnesota is about half the amount the University requested, but \$30 million above the governor's recommendation. MnSCU's appropriation is about \$184 million less than the system requested, but nearly \$90 million more than the governor suggested.

"How do we build political support for increasing higher education funding?" asked Sen. Steve Kelley (DFL-Hopkins). "One way to get support is to do a better job showing what a good job higher education is doing with what it has." Kelley offered two amendments to the bill, which were adopted, that require the University and MnSCU to submit learning quality and productivity improvement plans. As an incentive to submit the plans, the amendments place a hold on \$1 million of the appropriations to the University and MnSCU until the institutions provide the plans to the Legislature. Under the amendments, the plans must identify high and low priority programs, practices to improve the recruitment and retention of students and faculty of color and ways of increasing collaboration among other public and private institutions.

The committee also adopted an amendment offered by Kelley that requires HESO to make recommendations to the Legislature on ways to improve HESO administered grants and programs. The amendment specifies that the report must examine federal Pell grant changes, models for the creation of a state merit scholarship program, reducing the cost of reciprocity agreements and increasing the collaboration among education institutions in other states to improve student access. Kelley said the Legislature must hold the higher education system accountable to the taxpayers in order to show how the state benefits from higher education.

Division Chair Deanna Wiener (DFL-Eagan) also offered an amendment aimed at improving accountability through reports to the Legislature. Her amendment requires the Academic Health Center to work with the Department of Health to develop new strategies for health care delivery and professional training. Wiener said the amendment is needed to clarify

the relationship between the department and the center. The committee adopted the amendment.

The committee also added a provision to the omnibus bill that specifies that technical and consolidated colleges must consult with an instructional advisory committee made up of students, instructors and employers when changes are made to technical programs.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) offered an amendment that requires school districts to reimburse public colleges and universities for remedial classes taken at post-secondary institutions by high school graduates. Under the amendment, the reimbursement is the amount the courses cost post-secondary institutions minus the amount of tuition and fees paid by the student. Kinkel said currently higher education institutions have had to pick up the cost of high schools that do not prepare students for post-secondary education. "I hope," he said. "The K-12 system and higher education will work together at an earlier stage." The policy, under the amendment, does not go into effect until FY 03 and there will be no fiscal impact until 2005. Kinkel said the lag time allows schools to begin to work with higher education before they will have to pay the reimbursement.

The committee adopted two amendments that state specific uses for the higher education appropriation. Sen. Steve Murphy (DFL-Red Wing) offered an amendment that specifies that the funding includes money for research on improved production of forage and turf seed, soybean, potato, and poultry respiration disease control and prevent. Sen. Chuck Fowler (DFL-Fairmont) sponsored an amendment that states that the higher education appropriation includes money for a rural agricultural sociologist position within the University of Minnesota.

Murphy offered an amendment that details how Pell grant money is used. The bill increases from \$3,125 to \$3,750 the amount of money used by HESO to calculate how much tuition is reduced for a student receiving both a state grant and a Pell grant by the amount of the Pell grant. The change, Murphy said, is necessitated by a federal increase in financial aid. The panel adopted the amendment.

The division also amended three bills into the omnibus bill the provide appropriations for specific research programs. S.F. 994, authored by Sen. Doug Johnson



(DFL-Tower), appropriates \$2.9 million for the coming biennium to the University of Minnesota to fund the activities of the Natural Resources Institute. The division adopted an amendment that reduces the appropriation to \$915,000 each year. S.F. 184, sponsored by Sen. Dallas Sams (DFL-Staples), provides a one-time grant of \$100,000 to the Central Lakes Agriculture Center for research and programs. Sams said the center is a partnership between MnSCU's Central Lakes College, the University and the Dept. of Agriculture.

S.F. 2126, carried by Sen. Cal Larson (R-Fergus Falls), permits MnSCU to accept gifts of facilities such as student unions, recreational centers, dormitories and parking lots. The bill, which the division had heard before, had not been adopted into the omnibus bill previously because of bonding provisions in the measure. Larson amended the bill to delete the bonding language and the division added the bill to the omnibus bill.

The division approved the omnibus bill as amended and sent the measure to the full Education Committee.

## Environment and Natural Resources

### Energy bill advanced

The lights dimmed to darkness in the hearing room as a prelude to the Thurs., Apr. 19, meeting of the Environment and Natural Resources Committee. Sen. Jane Krentz (DFL-May Township) presided. The panel met to discuss the omnibus energy bill, S.F. 722, carried by Sen. James Metzen (DFL-South St. Paul). Metzen described the measure as "a reasonable approach for keeping the lights on." He said the bill was designed by a collaborative representation of legislators, the Dept. of Commerce, business, the energy industry and environmentalists. "It contains four primary ingredients, including plans for

energy conservation, streamlining the facility siting process, promoting modern renewable and distributed energy policies and establishing safety and service standards," said Metzen. In acknowledgment of environmental safety concerns, he said, "The intention [in changing regulatory siting standards] is not to cut out any process, but to cut it down to three or four years, with public input."

Following Metzen's overview, Sen. Dennis Frederickson (R-New Ulm) offered an amendment, which was adopted, that allows municipal utilities and cooperative electric associations to establish terms and conditions for late payment of energy bills by low income customers. The amendment also deleted language for the purpose of exempting electric cooperatives from a requirement to reconnect or continue service to a customer's residence where a medical emergency exists or where medical equipment requiring electricity is necessary to sustain life is in use.



Monks from the Gyuto Wheel of Dharma Monastery perform the opening prayer in the Senate Chamber during the Mon., Apr. 23, floor session.

Photo by Shelley Hawes

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Frederickson said he was concerned that cooperatives would be overburdened by provisions in the bill. The amendment also broadens the scope of authority for resolving customer complaints against public utilities.

Prior to the adoption of the amendment, the Public Utilities Commission was the only entity responsible for resolving disputes.

Krentz invited testimony from citizens. Several witnesses testified in regard to emissions standards. Minneapolis residents Barbara Sullivan and Rosa Field both expressed concerns about coal powered plants that were grandfathered by the bill. Sullivan said that none of the coal-powered plants meet Environmental Protection Agency (EPA) standards, and that particulate matter, nitrogen oxide and sulphur dioxide contribute to the high rates of asthma, cancer and other diseases in our communities.

St. Paul resident David Boyce said the High Bridge power plant owned by Xcel Energy was grandfathered in under the Clean Air Act. He said he worried about his children's persistent bouts of croup, which he attributes to living in close proximity to the plant.

According to Boyce, Minnesota generates 68 percent of the state's electricity by burning coal. He said he favored converting the Riverside plant in Minneapolis and the High Bridge plant in St. Paul from coal to natural gas to reduce harmful emissions and increase generation capacity.

Minneapolis resident John Reinhardt said burning coal degrades both air and water quality. Further, Reinhardt said mercury from electric power plants poisons the fish that humans, mammals and birds eat, and is probably responsible for frog deformities. He said coal plants account for 30 percent of the mercury pollution in our environment.

Reinhardt said he opposed the building of new transmission lines for facilitating the transport of energy in and out of Minnesota and favored stronger renewable energy requirements. The renewable energy portion of the bill that requires a 10 percent renewable generation output by 2015, said Reinhardt, relates to retail sales of electricity and excludes wholesale sales, which make up the majority of a provider's business.

Export energy producers are exempted from the renewable requirement, under the bill, and a provision allows providers to receive renewable energy credits from another state, he said.

HVAC Systems President David Solberg said his big concern with the bill is that it does not address the measurement and verification of air quality data. He said the bill should require that all public buildings record such data in accord with international standards for indoor air quality.

Paula Maccabee, spokesperson for the Sierra Club, said that the bill does a good job with renewable energy and green buildings, but devotes 27 pages to expediting plant sitings. She also said that emissions from plants pose a major threat and that 75 percent of our electric power comes from coal.

In response, Sen. Charles Berg (R-Chokio) said that most of the coal energy is imported from other states such as North Dakota.

Sen. Ellen Anderson (DFL-St. Paul) presented an amendment that "deals with the impact of coal emissions in our cities," she said. The amendment requires that prior to updating permits, or providing new permits, for coal-fired electric generating facilities, the Pollution Control Agency must require compliance with new source performance standards and provide maximum achievable control technology standards as specified under the Clean Air Act.

The amendment waives the requirements if the facility repowers with natural gas, and provides for reasonable rate adjustments for investments and expenses made by a public utility in compliance with terms of the amendment. Anderson said she would not formally offer the amendment at this time.

Sen. Lawrence Pogemiller (DFL-Mpls.) said he strongly supports Anderson's amendment. Pogemiller also addressed the state energy planning report outlined in the bill.

He said he thought the Pollution Control Agency should be in control of the planning report, rather than giving authorization to the Dept. of Commerce. He also said that energy industry representatives had overstated their interests in regard to the bill.

The panel approved the bill and advanced it to the floor.

## Environment and Agriculture Budget Division

### More funding requests heard

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), continued hearing funding requests Thurs., Apr. 19. Members heard 20 bills, all of which were set aside to be considered for inclusion in the division's omnibus funding bill or bonding recommendations.

Sen. Arlene Lesewski (R-Marshall) began by presenting S.F. 419. The bill provides that the Dept. of Natural Resources (DNR) may not abandon the diversion system at Currant Lake in Murray County. The diversion has not been used since 1991, according to Murray County resident Lynn Wichman, but locals want to maintain it as an option to ensure the lake level remains high enough for recreation. Ken Varland, DNR, said maintaining the diversion will have a negative impact on wildlife and lake water quality. A DNR fiscal note says it will cost \$2,000 annually to maintain the diversion, and \$353,245 to replace wildlife management areas (WMAs) impacted by the diversion.

S.F. 2125, carried by Sen. Roger Moe (DFL-Erskine), attempts to resolve the 70-year controversy over Consolidated Conservation (Con-Con) lands in Northern Minnesota. The bill designates 102,315 acres of land as WMAs. Payment-in-lieu-of-taxes on the new WMA lands will cost \$658,000 over the biennium, Moe said.

Sen. Bob Lessard (IND-Int'l. Falls) presented S.F. 1941. The bill remedies a cut proposed by the governor, providing \$170,000 annually to the Mississippi Headwaters Joint Powers Board for implementation of the comprehensive plan for the Upper Mississippi. In addition, the bill provides \$17,000 annually to the Leech Lake Band of Chippewa to implement the band's portion of the plan. Northern counties have put a lot of money and in-kind contributions into the program, which has become a model for the country, Lessard said.

S.F. 2040, authored by Sen. Becky Lourey (DFL-Kerrick), supports the Minnesota Grown Community Food Project operated by the Sustainable Resources Center. Kathy Clouser spoke for the center, saying the program allows low income families to order food directly

from small Minnesota farm cooperatives. Under the program, farmers increase sales and families get access to nutritious food, she said. The bill provides \$900,000 over the biennium for technical assistance and food distribution costs.

Sen. David Tomassoni (DFL-Chisholm) presented a bill related to training for all terrain vehicles (ATVs). The bill adds a riding component to the training program. Members adopted an amendment, offered by Tomassoni, to reduce the training fee from \$40 to \$15. After the change, the program will use \$291,000 over the biennium from the ATV account, according to staff.

Sen. Dallas Sams (DFL-Staples) had three bills before the division. S.F. 1677 provides funds to agricultural societies for exhibitor awards. The bill appropriates \$533,000 in 2002 and indexes subsequent annual amounts to inflation. Jerry Schoenfeld spoke for the agricultural societies, saying the appropriation has not increased since 1988 even though agricultural societies face increasing costs related to new safety regulations.

S.F. 299 increases the funding for the Farm Advocates Program, providing \$466,000 annually to the program and \$300,000 annually for grants to agriculture information centers. Farm advocates work to keep farms profitable, Sams said. Bruce Lubitz, field manager for Farm Advocates, said the advocates are dedicated to their cause and receive little compensation for their work.

S.F. 1948 designates the Long Prairie River as a canoe and boating route. The DNR said it can absorb costs for developing the route, but the bill was referred to the division in order to be consistent with the procedure for similar bills.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 1700. The bill provides \$5 million in bond proceeds for improvements on Raspberry Island in St. Paul. The improvements will include landscaping, lighting, and installation of restrooms, Pappas said. Having a safe park on the island will be crucial once Harriet Island reopens, she added.

S.F. 2309, carried by Sen. Chuck Fowler (DFL-Fairmount), provides \$1.35 million in grants and loans to the city of Lewisville for the construction of a wastewater collection and treatment system. The city began the project under the understanding that it would receive support, Fowler said, but state funding

proved insufficient for the project. The city's sewer system is in bad shape and proposed economic developments cannot proceed until it is repaired, according to Fowler.

Sen. Cal Larson (R-Fergus Falls) presented three bills. S.F. 429 appropriates \$2.3 million for a grant to construct a materials recovery facility in Pope and Douglas Counties. Dennis Nagle of Pope and Douglas Solid Waste Management said the counties use trash as fuel to generate electricity. The new project will remove recyclable materials from the trash, making the system more efficient, he said. Members adopted an amendment to ensure that the counties provide matching funds for the project.

S.F. 1468 allows a Douglas County town to receive promised state funding for wastewater infrastructure improvements. Carl Kremer of Lake Mary Township said the town began a project with the understanding that it will receive state aid, but a 2000 change in law resulted in a loss of grant money. The bill allows the Lake Mary project to be grandfathered in under the earlier criteria.

S.F. 996 provides for the development of the Central Lakes Trail, covering 55 miles between the cities of Osakis and Fergus Falls. Otter Tail County Coordinator Larry Krohn said local units of government will fund the surfacing of an old railroad bed to make it suitable for walkers and bikers. The path will then become a state trail in 2005.

Sen. Mark Ourada (R-Buffalo) carried two bills intended to demonstrate the effectiveness of biologically enhanced aeration treatments in Minnesota lakes. Mark Hayes of Minnesota Environmental Services said the proposed process circulates water from the bottom to the top of the lake and introduces microorganisms that absorb nitrogen and phosphorus. The process reduces sludge on lake bottoms and leads to bigger fish and less vegetation, he said. S.F. 2230 appropriates \$425,000 for projects at Como Lake in St. Paul and Powderhorn Lake in Minneapolis. S.F. 2229 targets Indian Lake in Wright County for the experimental project.

Sen. 1564, authored by Sen. Pat Pariseau (R-Farmington), provides \$2.818 million over the biennium for general operating expenses at the Science Museum of Minnesota. Museum President Jim Peterson said the museum's activity has increased while the state's share of support has decreased.

Sen. Steve Dille (R-Dassel) presented S.F. 2310, a bill providing \$250,000 for continued efforts to control pseudorabies in swine. Members adopted an amendment, offered by Dille, to make the funding available for any livestock disease outbreak. Dr. Paul Anderson of the Minnesota Board of Animal Health said there are now only two pseudorabies quarantines in Minnesota, and the money is needed mainly for surveillance and emergency response.

Sen. Jane Krentz (DFL-May Township) carried the final three bills before the division. S.F. 1260 provides one-to-one matching state funds for private contributions to the nongame wildlife fund. Lee Lewis of the Minnesota Audubon Society said the fund has received about \$1 million per year from the income tax checkoff since the mid-1980s. Krentz's bill makes \$2 million available annually to match contributions.

S.F. 1350 is a DNR departmental bill. The bill redirects an appropriation for the wildlife stamp program and also has a minor fiscal impact due to changes in the collection of leases from marina facilities. Members adopted two amendments offered by Krentz. One streamlines the handling of federal natural disaster reimbursement funds and the other makes technical changes to the agreement with Indian authorities for conservation law enforcement.

S.F. 1510 appropriates \$2.075 million over the biennium for continued operation of the Forest Resources Council. John Curry of the Minnesota Center for Environmental Advocacy said the council is working on a landscape level analysis of forest management practices.

## Funding hearings concluded

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), finished hearing funding requests in the final of a series of long hearings Fri., Apr. 20. The committee advanced S.F. 1486, a bill related to wetlands, and set 15 bills aside to be considered for inclusion in the omnibus bill or the division's bonding recommendations.

Sen. Jim Vickerman (DFL-Tracy) began the afternoon's proceedings by presenting four bills. S.F. 662 appropriates \$250,000 annually in grants to update soil surveys in Cottonwood, Lincoln, Nobles

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and Pipestone Counties. The maps currently in use are inaccurate, according to Cottonwood County Commissioner Marlo Nelson. New maps will help to accurately value lands, he said.

S.F. 378 is one of several bills intended to improve Minnesota's wastewater infrastructure. The bill appropriates \$100 million for grants to municipalities that are on a waiting list for wastewater system projects. Nancy Larson of the Minnesota Association for Small Cities said many municipalities have been waiting near the top of the priority list for too long. Price said \$30 million for wastewater projects is likely to be included in the emergency bonding bill.

S.F. 324 provides \$500,000 in a grant to Area II Minnesota River Basin Projects, Inc. Kerry Netzke, Area II Coordinator, said the organization is dedicated to reducing flood damage in nine Southwestern Minnesota counties. The appropriation will be matched by \$167,000 from Area II, she said, and will be used to fund small dam repair and road retention.

Vickerman's fourth bill, S.F. 1689, appropriates \$22,000 for a study of the grain inspection fees charged by the Dept. of Agriculture (MDA). A disparity exists between rail car and barge inspection fees, according to Tom Cashman of Northwest Agri-Dealers Association, Inc. He said the fees have not been analyzed since the 1970s.

Sen. Deanna Wiener (DFL-Eagan) carried S.F. 1257, a bill intended to preserve lake and river shoreland. The bill provides \$5 million in grants to private landowners for shoreland restoration cost-share or for conservation easements. Whitney Clark of Friends of the Mississippi River pointed out that no other easement programs target lakeshore land. Price said bonding is an option for funding the program.

S.F. 2027, authored by Sen. Dallas Sams (DFL-Staples), changes provisions of the agricultural best management practices loan program. The program helps local governments address agriculturally related water quality issues, said Paul Burns of the MDA. He said the bill simplifies the program's procedures to make loans available to farmers through any local bank.

Sen. Cal Larson (R-Fergus Falls) presented S.F. 515. The bill appropriates \$500,000 for grants to the Minnesota Association of Resource Conservation and

Development (RC&D), to be divided among the eight councils in the state. Amy Shogren of the WesMin RC&D said the councils support local conservation programs and develop recreational opportunities in communities. The funding will be used as seed money to win non-state grants, she said.

S.F. 1524, carried by Sen. Dan Stevens (R-Mora), provides funds for counties to replace wetlands disturbed by road repair. The bill earmarks a portion of the highway user fund for wetland restoration projects and appropriates \$400,000 for implementation of the program. Tom Delaney, president of the Association of Minnesota Counties, said the state is statutorily obligated to fund the program. Harold Lasley, Department of Transportation, said it may be unconstitutional to use the highway user fund for the program.

Stevens also carried S.F. 1486, bill related to wetlands. The bill was before the division because of a provision creating a wetland delineator certification program. Stevens said establishing a certification program for wetland delineators will help ensure compliance with the Wetland Conservation Act. The program is estimated to cost \$150,000 annually. The section in question was separated from the bill and the policy portions of the bill were advanced to the Finance Committee.

Sen. Don Samuelson (DFL-Brainerd) presented three bills to the division. S.F. 1661 appropriates \$750,000 for projects at the Pine Grove Zoo in Little Falls, including a black bear exhibit, an animal care facility, and a discovery center. Robert Orr, veterinarian and president of the Pine Grove Ecological Society, said the projects are designed to make sure the animals are well taken care of. Orr also highlighted the educational opportunities the zoo provides for the area. Price said the bill is a good candidate for bonding.

S.F. 2312 appropriates \$25,000 annually in support of the dairy producers board. Dairy farmer Jeff Kuntzleben said the board stretches its budget as far as possible, addressing issues such as John's disease, dairy pricing and volume premiums. The board publishes a newsletter for producers and hopes to develop a web site, he said.

S.F. 2286, also carried by Samuelson, appropriates \$231,700 for a grant to the Minnesota Association of Private Forests and Wildlife to produce a woodland education publication to be used in the

sixth grade. Samuelson said a minimum of \$75,000 is needed to implement the basic aspects of the program.

Sen. LeRoy Stumpf (DFL-Thief River Falls) carried S.F. 1524. The bill provides \$1.515 million in grants for the construction of ring dikes. Richard Nelson of the Red River Watershed Board said farmers in the area depend on dikes to protect their livelihood during floods. Stumpf said the \$1.515 million request could be halved and the remaining amount funded through bonding.

S.F. 1806, authored by Sen. Steve Dille (R-Dassel), appropriates \$100,000 each year of the biennium for two grazing specialists at the Board of Soil and Water Resources. The specialists will provide technical assistance to livestock farmers who wish to establish a managed grazing system, Dille said. He highlighted the positive environmental aspects of grazing. Livestock farmer Art Tike said grazing is financially beneficial, prevents erosion, eliminates manure management problems, and keeps cattle healthy. Members deleted a section of the bill that provides cost share grants to farmers for grazing.

Krentz presented the last two bills before the division. S.F. 153 increases to 100 percent the portion of lottery in-lieu-of-sales-tax revenues that go to natural resources funds. The allotment was decreased to 87 percent in an accounting move last year, and Krentz said the state needs to restore the policy of sending all lottery proceeds to natural resources. Sen. Twyla Ring (DFL-North Branch) offered an amendment providing more money for local park and trail grants. Krentz said the amendment opens up a contentious debate over which projects should be funded, and Ring withdrew the amendment.

S.F. 1743 provides for a fund restructuring requested by the Pollution Control Agency (PCA). The bill consolidates many separate fee-based accounts into a single flexible environmental fund, the largest portion of which is provided by the solid waste tax. Doug Carnival, representing the National Solid Waste Management Association, opposed using the solid waste tax to fund unrelated programs, saying the tax was imposed to clean up landfills.

The division adopted two amendments offered by Krentz. One removes dry cleaner fees from the environmental fund. Krentz said dry cleaners voluntarily imposed the tax on themselves to pay for their own cleanup programs, and do not

want to lose control over revenues. The second amendment makes minor technical changes. Krentz emphasized that the proposed changes are essential to avoid serious funding problems at the PCA.

Finally, Sen. Dennis Frederickson (R-New Ulm) offered an amendment to S.F. 419, a bill considered at an earlier hearing. The proposal resolves a controversy over maintenance of a diversion at Currant Lake in Murray County. The amendment requires the DNR to develop a management plan to operate the diversion in a way that maintains lake water level and protects habitat in the nearby Hjermstad State Wildlife Management Area. The amendment was adopted.

### **Omnibus bill approved**

The Environment and Agriculture Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), approved the division's omnibus spending bill Mon., Apr. 23. The bill concludes a long series of hearings, paring down about \$170 million in requests for new spending to \$36 million in recommended projects. The total biennial budget recommended by the division, including base spending, is about \$571 million, \$24 million more than the amount proposed by the governor.

The bill includes several appropriations to help livestock farmers comply with feedlot regulations. The bill provides \$1.4 million for cost share grants, \$700,000 for best management practices loans, \$637,000 to provide engineering assistance to farmers, and \$1.07 million for counties to administer the delegated feedlot program.

Other appropriations target forest health. The bill authorizes \$1.5 million for continued operation of the Forest Resources Council and another \$1.5 million in support of Dept. of Natural Resources (DNR) efforts to manage logging in forests. The bill also provides \$300,000 to promote tree health in communities and \$199,000 for radio communications equipment to respond to anticipated fires in the Boundary Waters Canoe Area.

One of the largest new appropriations is for the conservation reserve enhancement program (CREP), a joint effort with the federal government to fund conservation easements along the Minnesota River Basin. The bill goes beyond the governor's recommendation, appropriating \$2.084 million to fully fund all parts of the CREP program that are not eligible for bonding.

Another major appropriation is \$6 million to support parks in the Metro Area. The bill also contains provisions to improve the health of Minnesota's wildlife and ecosystem. The non-game wildlife income tax checkoff is to be matched by \$1 million in state funds. Another \$1 million is appropriated for a water quality program on the Upper Mississippi River, and \$100,000 is directed to the University of Minnesota Raptor Center to investigate lead poisoning in bald eagles.

Agricultural programs funded in the bill include \$2.75 million for the dairy diagnostics program, which represents a restoration of the cut proposed by the governor plus a further increase in funding for the program. The bill also provides \$200,000 in grants for organic farming and sustainable agriculture, \$430,000 to combat Johne's disease in cattle, and \$200,000 to advise farmers on implementing a grazing system for cattle. Sen. Steve Dille (R-Dassel) proposed an amendment to transfer \$100,000 from agriculture information centers to the lamb and wool program. The amendment was adopted, providing a total of \$200,000 for the program.

The bill contains two significant policy changes. First, it revamps the way the Pollution Control Agency (PCA) funds programs, by consolidating many separate fee-based accounts into a single flexible environmental fund. Secondly, the bill provides that all lottery in-lieu-of-sales-tax proceeds, rather than only 87 percent, are allocated for natural resources purposes. The change increases funds available for parks, state trails, wildlife programs and zoos.

Sen. Charles Berg (R-Chokio) advocated financial assistance for the Hancock Pro Pork facility, which has been required by a lawsuit to perform an expensive environmental impact statement, after having been issued a permit by the PCA. Berg suggested an amendment to take \$200,000 away from a grant to a soybean oilseed processing facility to help Hancock Pro Pork. Jim Boerboom of the Dept. of Agriculture said the soybean facility shortfall can be restored because the city of Fairmont has agreed to return a \$500,000 grant that it received for a soybean facility but never used. The amendment was adopted.

Sen. Jane Krentz (DFL-May Township) proposed an amendment to include a bill authored by Sen. David Tomassoni

(DFL-Chisholm) in the omnibus bill. The amendment provides that a county that receives a grant for construction of a resource recovery facility has 16, rather than 12, years to begin operating the facility before it is required to repay the grant. The amendment was adopted. The omnibus spending bill was then referred to the full Finance Committee.

Members also processed bonding recommendations. S.F. 1402, which provides for flood mitigation projects in the Red River Basin, was advanced to the Capital Investment Committee to serve as the vehicle for the division's bonding recommendations. The division also voted to approve a list of bonding recommendations. The list includes \$49 million for CREP, \$30 million for wastewater treatment, \$17 million to the city of Eagan for storm/flood grants, and \$5.4 million to replace wetlands disturbed by road construction. Sen. Dennis Frederickson (R-New Ulm) offered an amendment to include in the recommendations \$100,000 to help the city of St. George pay for the recent installation of a sewer system. The town also receives funding in the omnibus bill, but Frederickson said he wants to make sure the town receives assistance. The amendment was adopted.

## **Finance**

### **Budget resolutions revised**

The full Finance Committee met Tues., Apr. 24, to begin hearing omnibus budget bills, to process several bills, and to pass another Senate Budget Resolution that includes, in addition to the targets for FY 02-03, one-time appropriations from the current biennium and projected amounts for FY 04-05.

The budget resolution was presented by the chair of the committee, Sen. Douglas Johnson (DFL-Tower), who said it further clarifies the priorities and spending strategy of the majority leadership. The resolution shows appropriations from the current biennium of \$50 million for higher education, \$75 million for housing, and \$300 million for transportation. A tax rebate amount that is equal to these appropriations, \$425 million, is included in the bill as well. Sen. Pat Pariseau (R-Farmington) offered an amendment deleting the three appropriations and increasing the rebate to \$850 million. Sen. Deanna Wiener (DFL-Eagan), Sen. Ellen

# Committee update



*Members of the Finance Committee, staff and other interested parties pack a Capitol hearing room as the process of sorting out budget considerations commences in the final weeks of the Legislative Session.*

Photo by David J. Oakes

Anderson (DFL-St. Paul), and Sen. Dean Johnson (DFL-Willmar) all said the appropriations are necessary to address serious needs. The amendment was defeated by a vote of 12-22.

Sen. Dave Kleis (R-St. Cloud) offered an amendment to move the \$50 million higher education appropriation from FY 01 to FY 02-03. His amendment accomplishes the move by adding \$50 million to the FY 01 tax rebate and deducting \$50 million from the FY 02-03 target for the State Government, Economic Development and the Judiciary Budget Division. He said it will do more good to give students and parents a bigger tax rebate this year than to spend the \$50 million through the Higher Education Budget Division. His amendment was defeated.

The resolution was approved and recommended for introduction to the full Senate.

The committee next discussed the omnibus funding bill for higher education,

S.F. 2343. Sen. Deanna Wiener (DFL-Eagan), chief sponsor, successfully offered an amendment that delineates, in the bill, the portions of the funding that are to come from the \$50 million one-time appropriation in FY 01. She gave an overview of the bill and highlighted several areas, including accountability measures and research projects. The bill represents net general fund increases of \$138.36 million for the University of Minnesota, \$130.005 million for MnSCU, \$14.095 million for the Higher Education Services Office and \$540,000 for the Mayo Clinic and Residency Programs.

Sen. Jane Krentz (DFL-May Township) asked about language in the bill that requires the high school a student attended to reimburse a college or university when the student needs remedial classes. She said she is opposed to the policy and added that there should at least be some degree of responsibility placed on the student. Sen. Cal Larson (R-Fergus Falls) said the

language reflects a refinement of policy that already exists but is not widely enforced. He said it encourages high schools to plan better and take more responsibility for preparing students.

Sen. Thomas Neuville (R-Northfield) said the bill does not address tuition increases, however Wiener said the Legislature does not set tuition. Neuville said, since the primary intent of increased funding is to make tuition increases unnecessary, the bill should prohibit the schools from raising tuition. Wiener said she appreciates the idea, but is not comfortable including language restricting tuition increases since the funding levels in the bill have a long way to go before being enacted. Sen. Sheila Kiscaden (R-Rochester) said tuition increases vary widely based on a number of factors and it is not wise to tie the schools' hands.

The next omnibus bill represents the work of the Environment and Agriculture Budget Division. Sen. Leonard Price (DFL-

Woodbury) presented the bill and the division's fiscal analyst gave a thorough overview of the ways in which the funding diverges from the governor's budget, including a move to dedicate all lottery in-lieu-of-sales-tax revenue to natural resources. The bill includes a total increase in general fund appropriations of \$570,993 for the biennium.

Several amendments were offered and discussed. Sen. Dennis Frederickson (R-New Ulm) offered an amendment increasing the appropriation for the Knife River harbor and marina. The amendment also changes language so that the money can be used for repairs, since the marina, Frederickson said, was damaged by excessive winter weather this year.

Sen. Jim Vickerman (DFL-Tracy) offered an amendment that renewed a debate from the division's discussion of the bill the evening before. In the original version of the bill, Vickerman said, \$500,000 had been appropriated as a grant for a soybean processing plant in Brewster. He said the bill was amended by the division to give \$200,000 to an environmental impact study (EIS) at a feedlot owned by Hancock Pro Pork. The change was supported, he said, based on an assertion by Sen. Charles Berg (R-Chokio) that \$500,000 granted in a prior year to the city of Fairmont is still available. However, Sen. Chuck Fowler (DFL-Fairmont) said Fairmont, though it has exceeded its deadline for using the money, will be applying for an extension. The money, he said, is to be used for a water tower that will make a soybean plant possible in that town. Vickerman's amendment puts the \$200,000 for the EIS back into the grant for Brewster.

Berg said the Hancock Pork facility was treated unfairly, being required by a lawsuit to undertake the costly EIS study after receiving a permit from the Pollution Control Agency. Sen. Ellen Anderson (DFL-St. Paul) said the state paying for a company's EIS sets a bad precedent and takes sides in a contentious local environmental issue. After much debate over whether Hancock has a right to the assistance, Sen. Dallas Sams (DFL-Staples) offered a compromise. He amended the Vickerman amendment so that \$108,000 from the farm advocates program is directed toward the EIS for Hancock. The Vickerman amendment, as amended by Sams, was adopted.

Vickerman offered another amendment authorizing subsidies for up to two more ethanol plants in the state, while freezing the cap on the total ethanol subsidy at its current levels. Vickerman said the one new plant that is currently being built will be an important stabilizing influence for the city of Granite Falls. Price said there is no fiscal note on the amendment, but Berg said it will mean spending an additional \$6 million a year for the next 10 years. He said he does not think the state should be subsidizing an industry that has shown that it can make a healthy profit. Sen. Steve Murphy (DFL-Red Wing) said that by the time the plant is complete, other plants in the state will likely have come off the subsidy. He added that ethanol plants are helping to stabilize income for a lot of the state's farmers. The amendment was adopted.

Sen. Keith Langseth (DFL-Glyndon) offered an amendment to remove \$550,000 in technology funding from the Department of Agriculture to fund grants to participants in the farm wrap network. Jim Boerboom from the department said the funding is needed to complete the third phase of a critical computer system upgrade. The amendment was defeated.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment that takes \$5,000 a year from the Minnesota Certified program to fund the Minnesota Grown food program. The amendment was adopted.

Sams offered an amendment repealing two sections on environmental site clean-up, deleting a definition of "emergency incidents" and removing a maximum reimbursement amount for a single site. The amendment was adopted.

The omnibus bills were approved for introduction to the full Senate as committee bills.

In other business, the committee processed procedural motions for a number of bills. The bills had been amended in the respective divisions, or were amended by the full committee, to eliminate the fiscal impact. S.F. 1659 authored by Murphy, S.F. 1341 authored by Sen. Leo Foley (DFL-Coon Rapids), S.F. 703 authored by Sen. Kenric Scheevel (R-Preston), S.F. 555 authored by Sen. Don Betzold (DFL-Fridley) and S.F. 491 authored by Sen. Linda Berglin (DFL-Mpls.) were approved and sent to the floor. The Murphy bill provides for a level one feedlot inventory. Foley's bill amends requirements for care and disclosure for Alzheimer's patients in

assisted living. Civil fines and reimbursements are waived for dairy producers in Scheevel's bill. The Betzold bill modifies provisions for administrative rule-making. Berglin's bill modifies patient protection provisions. Sams' S.F. 1001 was also advanced to the floor after being amended to substitute the language from the other body, H.F. 926. The bill modifies provisions relating to health care identification cards.

S.F. 1402, authored by Langseth, was advanced to the Capital Investment Committee. The bill expands eligibility for state grants related to Red River Basin flood hazard mitigation. Lourey's bill, S.F. 691, was forwarded to the Tax Committee. Her bill provides medical assistance coverage for mental retardation day training and habilitation services.

## Transportation bill amended

The omnibus bill for transportation and public safety spending was debated by the full Finance Committee at a meeting held Weds., Apr. 25. The bill, S.F. 2340, was presented by Sen. Dean Johnson (DFL-Willmar).

Dean Johnson summarized a number of the bill's provisions and appropriations, including \$300 million in spending from FY 01, and said that a gasoline tax increase is not in the bill. A proposed constitutional amendment is included in the bill, he said, to dedicate 32 percent of the motor vehicle excise tax (MVET) to highways and 18 percent to transit. He said the bill includes funding for highways, local roads, ports, bridges, rail studies, bus garages, noise walls and a host of other needs. Highlights of the funding in the public safety portion of the bill, he said, are cameras in law enforcement vehicles as a measure against racial profiling, multi-lingual drivers manuals and the CriMNet technology initiative.

Dean Johnson successfully offered several amendments to the bill, including technical amendments for the Department of Commerce and the Department of Transportation (MnDOT). The first of his substantive amendments settles an ongoing debate concerning a 12-percent portion of DWI reinstatement fees that are used for driver's education. The amendment appropriates the funds to the Minnesota Safety Council, and Dean Johnson said St. Cloud State University, a current recipient of some of the funding, will still be able to

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participate. Johnson also offered an amendment specifying that \$2 million of the \$10 million in the small cities account may be used for snow removal. All of the Dean Johnson amendments were adopted.

Sen. Dick Day (R-Owatonna) also offered several amendments to the bill. The first amendment he offered moves the bill's one-time appropriation of \$300 million to FY 02-03 and amends inflationary adjustments used in the future to determine spending by MnDOT. His amendment also changes the language of the bill's proposed constitutional amendment to require that 60 percent of MVET revenue go toward highways and 20 percent toward transit. The amendment was not adopted. Sen. Dave Kleis (R-St. Cloud) offered a similar amendment with the same inflation language and the highway percentage changed to 57 percent. The Kleis amendment was defeated as well.

A second amendment by Day was adopted on a vote of 16-12. The amendment provides \$100,000 to perform a study regarding changes to the use of high occupancy lanes on I-394. The amendment specifies that no action should be taken on a study that would result in the loss of federal funds. Day said the lanes should be opened up to all vehicles because they add to congestion and have failed to influence commuters toward carpooling or riding the bus.

A representative of Metro Transit said 2,000 bus-riders an hour use the lanes during peak commuting, and added that the lanes would already be full if all of those people were in cars. Day supported an amendment by Sen. David Johnson (DFL-Bloomington) to include I-35W in the study.

Sen. Deanna Wiener (DFL-Eagan) said Day's initiative in the ramp meter study opened a lot of eyes and helped create a solution to a real problem. As amended, the study and the funding were added to the omnibus bill.

The Crosstown project is addressed in another amendment by Day. Under the bill, a construction project involving the Crosstown Highway and I-35W is delayed by one year for further study. The amendment puts construction of a third lane on I-394 and I-494 ahead of the Crosstown construction. The bill also allows for a design-build process to expedite the specified construction. David Johnson said the amendment won't solve anything and

sets a bad precedent. He added that the real problem is that the state has seriously underfunded highway improvements for far too long. Sen. Julie Sabo (DFL-Mpls.) and Sen. Linda Berglin (DFL-Mpls.) also spoke in opposition to the amendment. The amendment was defeated.

Day's final amendment diverts money directed toward forestalling increases in bus fares. The amendment substitutes language in the bill so that the appropriation is used for property tax relief instead.

Day said everyone has had to pay more for transportation due to rising gas prices and added that bus riders should pay their fair share. The amendment also removes \$10 million in funding for studies related to transit for Dakota County, Ramsey County, and the Rush Line joint powers board. The amendment was not adopted.

Two additions to the bill were proposed by Sen. Sam Solon (DFL-Duluth). First he added an amendment specifying the number and type of hazardous materials teams maintained by the Department of Public Safety. His amendment requires six chemical assessment teams and four combined emergency response/chemical assessment teams.

Sen. Douglas Johnson (DFL-Tower), chair of the committee, said the amendment is necessary to ensure adequate response for hazardous materials concerns in Greater Minnesota. Barb Cox from the department said that response is provided adequately across the state without the amendment. She said the language establishes a disproportionate emphasis on emergency response, which is a small percentage of the department's requests.

Sen. Mark Ourada (R-Buffalo) and Sen. Claire Robling (R-Prior Lake) agreed with Cox, saying that flexibility in the makeup needs to be left with the department. Douglas Johnson said he does not think the department's assessment of the needs is reliable. The amendment was adopted.

Solon was successful in gaining the adoption of another amendment on behalf of Sen. David Tomassoni (DFL-Chisholm). The amendment allows an upward adjustment of 3 percent to census figures for the city of Chisholm to allow continued eligibility for certain aids, grants and other programs. Kleis asked about the impact the bill has on other areas in which a city's population is taken into account, such as redistricting. Sen. David Knutson

(R-Burnsville) successfully offered an amendment clarifying that the adjustment may be used only for the purposes stated. As amended, the Solon amendment was adopted.

In other amendments, Sen. Cal Larson (R-Fergus Falls) failed to gain approval for an increase in funding for Minnesota Amateur Sports Association grants for hockey rinks. His amendment would have diverted \$1 million from an appropriation for port development, but the amendment was defeated. An amendment by Wiener removes a number of provisions intended to help the commissioner of MnDOT expedite bids and construction projects.

Sen. Dan Stevens (R-Mora) offered a compromise to the Wiener amendment, reducing the dollar amount on projects for which the commissioner may forgo certain steps in the process of securing a contract. The Wiener amendment was defeated and the Stevens amendment, lowering the floor from \$150,000 to \$100,000, was approved.

An amendment by Ourada concerning the same section of the bill was also adopted. The Ourada amendment extends to six months the amount of time the department has to repay funds advanced for corridor development.

Ourada offered another amendment related to the racial profiling provisions in the bill. His amendment redirects \$280,000 out of different witness and victim programs to defray costs to the State Patrol for implementing racial profiling data collection. Ourada said the money involved was carelessly reallocated and should have been retained in the funding for racial profiling.

Dean Johnson and Sen. Jane Ranum (DFL-Mpls.) said the administrative costs were taken into account and the Patrol should be able to absorb it. On a tie vote, the amendment was defeated.

Sen. Randy Kelly (DFL-St. Paul) presented two amendments. One specifies that \$200,000 of the Metropolitan Council's \$20 million in transportation funding is allocated to reducing traffic and parking in the vicinity of regional parks. The other Kelly amendment adds regional trail development to the allowable uses for local road development funds. Both amendments were added to the bill. An amendment without a fiscal impact was adopted. Sen. Becky Lourey (DFL-Kerrick) offered an amendment that directs the commissioner of Public Safety to develop



a long-range plan for raising awareness of the need for reduced speed around stopped emergency vehicles.

An amendment by Sen. Pat Pariseau (R-Farmington) was laid on the table without discussion. Her amendment included a number of provisions related to the carrying of a concealed weapon. Kelly said he objected to the attempt to include the language in the transportation spending bill. He moved to table Pariseau's amendment, and after a brief discussion of the legitimacy of the motion, the committee voted 17-16 to table the amendment.

As amended, the omnibus bill was approved by a vote of 23-10 and forwarded to the floor. In other business, S.F. 1711 authored by Knutson, was also approved and sent to the floor. The bill, which establishes criminal penalties for making or possessing fake identification cards, has no fiscal impact.

## Health, Human Services and Corrections Budget Division

### Omnibus allocations reviewed

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Mon., Apr. 23, to review and amend the Health, Human Services and Corrections omnibus appropriations bill.

Following a review of the corrections budget appropriations, the panel adopted the tracking sheet for that portion of the bill. The bill includes appropriations of \$105.746 million to the Public Defense Board, \$28.267 million to juvenile services, \$455.912 million to Corrections Department Institutions and \$27.415 million to management services, for the biennium. The total to all corrections agencies after adjustments is \$844.84 million.

Sen. Jane Ranum (DFL-Mpls.) offered an amendment, which was adopted, to require that counties consider using a portion of the grants provided under the appropriation, for services treating and supervising high risk domestic abuse offenders who are on probation, conditional release or supervised release. Ranum said the amendment is intended to address the recent rise in domestic abuse offenses by reducing the caseloads supervised by probation officials who work with domestic offenders.

Senate counsel detailed appropriations for agencies and programs under the health and human services portion of the bill and the tracking sheet was adopted. Berglin said that cost-of-living-adjustments (COLAS) increased 3-3.5 percent for the biennium, approximating \$125 million in increased expenditures.

The total amount appropriated from the general fund for human services is \$6.518 billion. The administration's budget proposal recommends an amount \$265.637 million less than the Senate's recommendation for human services. The Senate proposal includes \$521.067 million appropriated from the health care access fund (HCAF), \$62.013 million from state government special revenue (SGSR), \$2.609 million from lottery funds, \$1 million for the health safety net endowment, \$11.361 million from the Children's Health Endowment and \$353.539 million from federal Temporary Assistance to Needy Families (TANF) funds.

Berglin said the bill transfers interest on tobacco funds to buy health care insurance for low income children. Specifically, the bill appropriates \$11.361 million from the Health Care Endowment and transfers it to the health care access fund.

MinnesotaCare grants are appropriated a total of \$276.875 million to pay for reducing premiums and barriers for low income children and to provide other basic health care grants. Medical Assistance (MA) grants for families and children are appropriated \$1.084 billion under the bill. MA grants for the elderly and disabled total \$1.129 billion, an amount \$13.245 million less than the amount granted under the administration's proposal. General Assistance Medical Care (GAMC) grants are appropriated a total of \$336.613 million and include funds for court ordered mental health services, ambulance and dental and rural hospital rate increases. Other programs receiving appropriations under the human services portion of the bill include MA long-term care waivers totaling \$989.024 million and group residential housing, \$168.811 million. Extensions for the 60-month time limit for MA child care and quality child care programs total \$13.158 million and \$367,000, respectively.

The health portion of the bill appropriates a total of \$171 million from general funds, representing \$16.209

million above the amount recommended by the administration. The Senate proposal includes spending of \$21.25 million from HCAF, \$13.08 million from TANF and \$37.8 million from SGSR.

The tobacco settlement fund program is appropriated a total of \$343.41 million by the Senate for the establishment of a children's health endowment. The administration makes no appropriation for the program, but includes \$178.66 million for the establishment of the healthy kid's learn endowment, which the Senate did not appropriate funds for. The administration also specified tobacco settlement funds for the establishment of a \$164.746 million medical education endowment, for which the Senate made no appropriations.

Community Health Services are provided a total of \$117.392 million, including \$13.86 million for health policy and systems compliance, \$6.5 million for the health care safety net endowment, \$31.57 million for environmental health programs, \$10.95 million for infectious diseases prevention and control, and \$62.98 million for veteran's homes.

Members adopted the riders portion of the bill and considered several amendments. Sen. Becky Lourey (DFL-Kerrick) offered an amendment, which was adopted, to take \$3 million from the appropriation to the lottery prize fund to develop and maintain a comprehensive compulsive gambling treatment program. The amendment creates provisions for base funding as well as establishing one-time appropriations. Sen. John Marty (DFL-Roseville) said the proposal came from the Dept. of Human Services Advisory Council on Compulsive Gambling. According to Lourey, compulsive gambling programs are currently underfunded, and therefore, ineffectual.

Berglin then offered an amendment to fund a study for determining why African American children are disproportionately represented in child welfare out-of-home placements. She said that Minnesota has the highest rate of African American placements in out-of-home settings in the nation. The panel adopted the amendment.

### Drug rebate plan approved

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.) met Weds., Apr. 25, to amend the omnibus

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health, human services and corrections budget bill, and to approve four other measures.

Sen. John Hottinger (DFL-Mankato) presented S.F. 765, an initiative creating the fair drug pricing program. Hottinger said the program provides affordable access to prescription drugs for those without prescription medication coverage. Under the bill, the commissioner of human services is authorized to require a rebate agreement from all manufacturers of drugs covered under the Medical Assistance program. The amount of the rebate must be equal to the basic rebate provided through the federal rebate program, according to Hottinger.

Eligibility requirements for the program specify that an applicant must not be enrolled in Medical Assistance, General Assistance, MinnesotaCare or the prescription drug program and must not have prescription drug coverage under a health plan or a Medicare supplemental plan. The bill requires participating pharmacies to sell prescription drugs to enrollees at the pharmacy's usual retail price, minus an amount equal to the established rebate, plus any administrative fees established by the commissioner. Hottinger said manufacturers must provide a rebate equal to the rebate provided under the Medical Assistance program for each prescription drug sold to an enrolled individual at a participating pharmacy. He said the commissioner is then required to distribute an amount equal to the rebate collected, to each pharmacy, minus the administrative fee.

A fiscal note indicates that costs to counties approximates \$42.8 million for the biennium. The bill will affect counties because their social service agencies and personnel are responsible for receiving and evaluating the enrollment applications, which includes issuing a formal response to both successful and unsuccessful applicants. The fiscal note estimates a 1.5-hour time period related to the interview and application process. Sen. Dan Stevens (R-Mora) Stevens (R-Mora) said, "I'm surprised at the amount of local impact this bill imposes. Why do this to counties?"

Hottinger said he did not understand how the bill could cost as much as indicated in the fiscal note. He said the 1.5-hour application time estimate seems excessive.

Sen. Deanna Wiener (DFL-Eagan) said she was uncomfortable in not honing

the eligibility requirements to ensure that only those with the greatest need be allowed to participate.

Hottinger said, "If we can help 86,000 Minnesotans with drug costs, the risk of letting those few in who might take advantage of the program is worth it."

Randy Morris spoke in opposition to the bill on behalf of the Counsel for Pharmaceutical Manufacturers. He said employers will drop drug insurance coverage and people will switch to the rebate program. "The bill uses a Medicaid rebate for non-Medicaid persons," he said. He also said the rebates reach beyond state boundaries because of where manufacturers are located, creating commerce and constitutional problems.

An amendment was adopted to exclude generic drugs from the program. Another amendment, presented by Sen. Dallas Sams (DFL-Staples), requires that the rebate program be administered so that the costs total no more than funds appropriated, plus the drug rebate proceeds. The amendment also appropriates \$5 million from the general fund to establish the Minnesota prescription dedicated fund. The bill was approved and referred to the full Finance Committee.

Sen. David Johnson (DFL-Bloomington) authored S.F. 264, the felony DWI bill. Under the bill, a statutory maximum penalty of seven years imprisonment and/or a \$14,000 fine is imposed for first-degree driving while impaired (DWI) offenses. The felony penalty is applicable if a person commits a DWI within ten years of the first of three or more qualified prior impaired driving incidents or if a person has previously been convicted of a felony DWI.

Other provisions in the bill reclassify the current first through third-degree impaired driving offenses as second through fourth-degree offenses. The provisions specify penalties, including a mandatory 3-year imprisonment for felony DWI offenses and a criminal fine of up to \$14,000. The provision allows courts to stay executions of sentences, but requires that they may not stay their imposition or impose a sentence of less than three years. Further, the bill specifies that courts must require the commissioner of corrections to place the person on conditional release for a five year period after the person is released from jail, and authorizes the commissioner to revoke the offender's conditional release for violations of

conditions of release. Johnson said the offender could be ordered to serve all or part of the remaining portion of the conditional release term in prison.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment, which was adopted, to require that health plans providing coverage for chemical dependency treatment must cover treatment for an enrollee while the enrollee is committed to the custody of the commissioner of corrections for committing a first degree DWI offense. Provisions outline various conditions for early release, including early release following completion of the chemical treatment program. The amendment provides that treatment for chemical dependency provided by the DOC not be subject to a separate medical necessity determination under the health plan company's utilization review procedures.

A spokesman for the health insurance industry opposed the provision that specifies treatment is not subject to the separate "medical necessity" standard as defined in the bill. He also said the bill "sets a policy for someone other than a physician in determining a medical necessity."

Johnson said DWI offenders, defined as felony-level under the bill, average 10 or more DWI offenses and added, "I would think that indicates a dependency problem."

Another amendment was amended into the previous amendment to specify sentencing for supervised release violations. A third amendment was adopted to outline provisions for health plan coverage of chemical dependency treatment provided by the DOC. The panel approved the bill and referred it to the full Finance Committee.

Sen. Don Betzold (DFL-Fridley) presented S.F. 179, a measure modifying the Civil Commitment Act. The panel addressed portions related to the fiscal note. One portion extends the period of time during which short-term hospitalization may be ordered under the early intervention statute from 10 to 21 days. Another portion modifies petition requirements relating to neuroleptic medications. The fiscal note indicates costs to the state approximating \$3.2 million for the biennium. The bill was approved and referred to the full Finance Committee.

Members approved the omnibus budget bill after approving several

amendments. Lourey presented an amendment to provide a one-time, \$300,000 appropriation for a grant implementing an adolescent compulsive gambling prevention and education project. Wiener suggested that rather than tacking on more expenditures, members might consider taking money from the \$600,000 already funded for compulsive gambling prevention projects. Another amendment specifies that a hospital-attached nursing facility may include costs in their distribution plan for wages in the organization's shared services departments, provided they not exceed cost-of-living (COLAS) increases above 3 percent and other requirements.

Additional amendments include provisions related to suspension of health-related licenses for nonpayment on federal education loans, provisions for implementing a study of foster care, adoption assistance and relative custody assistance, and for a study of rural ambulance service. S.F. 1786 was approved and referred to the full Finance Committee.

A measure authored by Sen. Richard Cohen (DFL-St. Paul), S.F. 1908, provides an exclusion of the current rate increase provided nursing facilities to cover the added costs of preparing special diets that are based on religious beliefs if the commissioner of human services constructs an array of nursing facility rates, from high to low, for purposes of determining future facility rate increases. Members approved the bill and referred it to the full Finance Committee.

## Rules and Administration

### Campaign reform advanced

The Rules and Administration Subcommittee on Elections approved two campaign finance reform measures Fri., Apr. 20, after adopting a number of amendments. The bills advanced to the full Rules Committee are S.F. 388, the "Fair and Clean Elections Act," authored by Subcommittee Chair John Hottinger (DFL-Mankato), and S.F. 1579, the governor's "Open and Accountable Campaigns" bill, also carried by Hottinger.

The subcommittee first considered amendments to S.F. 388, which provides for full public financing of state elections. Hottinger offered an amendment to phase in the new system. Under the amendment, the publicly financed system applies to

elections for constitutional officers in 2002 and legislative elections in 2004. The amendment also further lowers the spending limits for several offices. Sen. Warren Limmer (R-Maple Grove), citing the high costs of mailings, said the proposed limits may be too low. Members amended the amendment, raising the limit for Senatorial races to \$40,000 and for House races to \$25,000. The full amendment was then adopted.

Another amendment, offered by Hottinger, reinstates the income tax checkoff for campaign financing. Sen. John Marty (DFL-Roseville) said the amendment only creates the illusion that taxpayers are voluntarily supporting the publicly financed system, since the bill already requires state funds to pay for elections. The amendment failed.

Marty explained a third amendment, providing that candidates in statewide races receive 30 minutes of free broadcast time on public radio stations, and legislative candidates receive 60 seconds of either broadcast time or an audio clip on the station's web site. The amendment was adopted. A technical amendment offered by Hottinger was also adopted.

Marty then asked members to vote on a concept not yet drafted into a formal amendment. The concept, similar to a bill authored by Marty that has been tabled, places more emphasis on private contributions, lowering public support to 70 percent. The concept also raises the maximum political contribution refund to \$100 and bans all contributions from political action committees. Marty said the proposal saves money. He also pointed out that other states with full public financing have only a 30 to 40 percent participation rate, and said a less extreme change is likely to win greater participation. Hottinger responded that the current system is "leaking badly" and should be replaced entirely. Members informally voted to reject Marty's concept.

Limmer suggested providing criminal penalties for violations of the provisions in S.F. 388. Marty agreed, saying that, for example, a manipulative misrepresentation of intent by an independent group should carry a severe penalty. Hottinger strongly opposed adding criminal penalties, and Senate counsel pointed out that a false sworn statement is considered perjury, which is a felony. The bill was then sent to the full Rules Committee on a 7-3 roll call vote.

The subcommittee briefly considered S.F. 1579, which places greater restrictions on independent expenditures, but does not increase the level of public financing. Members considered two amendments. The first, offered by Hottinger, adopts provisions to conform the bill to the House version. The amendment was adopted. The second, offered by Marty, clarifies the definition of "independent expenditure," adopting language from the FACE bill. The amendment was defeated. The bill was advanced to the full Rules Committee on a 8-2 roll call vote.

### County split bill advanced

Members of the Rules and Administration Committee, chaired by Sen. Roger Moe (DFL-Erskine), met Mon., Apr. 23, to consider four bills, including a bill relating to the creation of new counties by splitting an existing county.

S.F. 1367, carried by Sen. Becky Lourey (DFL-Kerrick), clarifies state law regarding the creation of a new county. The committee considered a provision in the proposal that provides for the election of county commissioners after a county is split, creating vacancies on the board of commissioners of the existing county. Under current law, open county commission seats are filled by the governor. The panel approved the bill and advanced it to the floor.

Lourey also carried a bill that came before the committee pursuant to joint rules relating to committee deadlines. S.F. 1004 prohibits tampering with farm tractor clock hour meters. Lourey said the bill did not meet Senate deadlines and its companion in the other body was incorporated in an omnibus policy bill, thus not meeting deadlines in the other body. S.F. 1004 was approved and re-referred to the Judiciary Committee on a divided vote.

Sen. James Metzen (DFL-South St. Paul) also presented a late bill. S.F. 722 is the state energy plan and conservation promotion measure. The bill was sent to the floor with a recommendation to pass.

Members heard testimony relating to campaign finance reform. Sen. John Hottinger (DFL-Mankato) carried S.F. 1579, a proposal generated by the governor's office. Director of the Office of Minnesota Planning Dean Barkley said the bill is a patch to fix the system Minnesota currently has. Ryan Griffin, Minnesota Citizens Concerned for Life, said his

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organization is opposed to the bill because its provisions dissuade the exercise of free speech. The bill was laid over for future consideration in tandem with other campaign finance reform proposals.

## Campaign finance bill advanced

Much of the Tues., Apr. 24, meeting of the Rules and Administration Committee was devoted to discussion and amendment of the governor's campaign finance proposal. According to Sen. John Hottinger (DFL-Mankato), S.F. 1579 builds on existing campaign finance laws by providing for increased disclosure of independent expenditures and contributions, prohibiting independent expenditures by political parties that accept a public subsidy and authorizing loans for candidates to respond to independent expenditures. The measure also prohibits a candidate who accepts a public subsidy from accepting any contribution from a

political committee or political fund.

Numerous amendments were offered to the proposal. Sen. Douglas Johnson (DFL-Tower) offered an amendment to delete the prohibition on a candidate accepting contributions from a political committee or political fund if the candidate accepts a public subsidy and, instead, make the prohibition on accepting contributions from lobbyists if the candidate accepts a public subsidy. The amendment was adopted.

An amendment, offered by Sen. Dean Johnson (DFL-Willmar), raising the individual contribution limits to candidates for state Senator from \$500 to \$1,000 in an election year and from \$100 to \$200 in a non-election year, failed to gain committee approval.

An amendment doubling the political contribution refund, but eliminating contributions from a political committee for candidates that accept a public subsidy

failed to gain approval. The amendment was sponsored by Sen. John Marty (DFL-Roseville). A second amendment, offered by Marty, clarifying campaign expenditure and independent expenditure, was adopted. Members did approve an amendment, offered by Sen. Lawrence Pogemiller (DFL-Mpls.), removing the prohibition on "bundling." The prohibition related to the delivery of the contributions made by any individual, political committee or political fund.

Hottinger offered several amendments that were adopted. One amendment removed criminal penalties from the bill. A second amendment clarifies the definition of independent expenditure that requires a report. A third amendment dealt with parties attaining or losing major party status and the final amendment clarifies that the public funds be given only to major party candidates who have opponents.



Sen. Jim Vickerman (DFL-Tracy), center, converses with Sen. Thomas Neuville (R-Northfield), left, and Minority Leader Dick Day (R-Owatonna) during a recent floor session.

Photo by David J. Oakes

Finally, members adopted an amendment, offered by Committee Chair Roger Moe (DFL-Erskine), deleting the legislative findings section of the bill. Several members said that the language was unnecessarily harsh. Hottinger said the language was originally intended to serve as a guide to legislative intent should the law be challenged in court, but that the language was harsh. The Moe amendment was adopted.

The bill was approved and re-referred to the Finance Committee on a 15-6 roll call vote. In other action, members also reviewed two provisions of the omnibus transportation and public safety omnibus bill. The measure, S.F. 2340, sponsored by Sen. Dean Johnson (DFL-Willmar), contains provisions relating to a constitutional amendment and to, what Johnson said, amounts to a local option sales tax referendum for the Metro Area. Both provisions fall under the jurisdiction of the Rules and Administration Committee.

The constitutional amendment provision specifies that voters be asked to approve an amendment dedicating 50 percent of the motor vehicle excise tax to transportation purposes. Currently, 32 percent is earmarked for the highway users fund. Under the proposed amendment, the additional 18 percent is slated for transit purposes. The other provision requires voters in the seven county Metro Area to approve a one-half percent sales tax increase to fund congestion relief.

Dean Johnson offered two amendments to the bill. The first deletes a requirement that the board members who are to administer the revenue raised by the sales tax increase be elected county commissioners. The amendment also clarifies wording on the sales tax question to be put to voters to include a \$20 excise tax on each motor vehicle retail sale by a dealer along with the sales tax increase. The amendment was adopted. The second amendment, which was also adopted, clarifies wording on the constitutional amendment ballot question.

The measure was approved and advanced to the Finance Committee.

Members also forwarded a bill, S.F. 1760, captured under Joint Rule 2.03, the rule dealing with late bills. The measure, authored by Sen. David Johnson (DFL-Bloomington), makes numerous changes in workforce development programs administration. The bill was advanced to the Finance Committee.

## State Government, Economic Development and the Judiciary Budget Division

### Spreadsheets unveiled

The Tues., Apr. 24, meeting of the State Government, Economic Development and the Judiciary Budget Division introduced members and interested parties to a spreadsheet representing the allocations in the division's omnibus funding bill. Total net general fund spending in the bill is \$1,331,614,000.

Sen. Richard Cohen (DFL-St. Paul), chair of the division, said complete language of the bill would be presented at the next day's meeting. Cohen gave an overview of the priorities and spending in the bill and highlighted areas that emphasize issues raised by lower levels of funding in the governor's budget. He said one significant omission in funding as proposed by the governor was the needs of the Judiciary. Cohen said the bill does its best to accommodate the needs but still falls short of the request made by the Judiciary. He also highlighted an additional one-time amount of \$75 million from FY 01 targeted toward housing.

Another area of disagreement between the bill's and the governor's funding, Cohen said, is the amount of funding given to non-profits. Cohen said a number of successful programs funded with grants to non-profits had been eliminated by the governor. Cohen repeated his notion that non-profits are better at working more fluidly across multiple issues in order to address people's needs. As an example, he cited a funding increase in the bill for literacy programs that receive grants from the Minnesota Humanities Commission. Finally, Cohen said that certain carry-forward amounts had been cut from Departments of Finance and Administration budgets. The final area he highlighted in the budget is the emphasis on economic development and workforce issues.

Sen. Cal Larson (R-Fergus Falls) offered an amendment to move \$750,000 from the newly created technology enterprise fund to pay one-time technology costs instead for the Minnesota Amateur Sports Commission. The amendment was adopted.

Sen. David Johnson (DFL-Bloomington) said the spreadsheet shows

funding for odor reduction at the ethanol plant in St. Paul as a loan. He said he was under the impression, and Sen. Ellen Anderson (DFL-St. Paul) confirmed, that members had preferred to leave the appropriation as a grant. On the issue, Sen. David Knutson (R-Burnsville) said he does not see why the government, which already funds the operations of 14 ethanol plants, now is funding environmental clean-up for them too. Sen. Jim Vickerman (DFL-Tracy) said the situation in St. Paul is unique because the plant is a former brewery located in an urban neighborhood. Cohen said members could look more closely at the language related to the appropriation when the bill itself is presented.

In other business, the division approved two omnibus pension bills, S.F. 451 and S.F. 1321. Sen. Lawrence Pogemiller (DFL-Mpls.), chief author, presented the bills and offered a number of technical amendments that were adopted. The only substantive amendment is a slight benefit increase in the teachers retirement funds of the first class cities. Pogemiller said if members of the commission object, he will remove it.

Pogemiller highlighted provisions in the bill to makeup for the shortfall in the Public Employees Retirement System. He said a formula has been crafted to balance the costs between employers, employees and the state. He added that the state participation is set at \$4 million a year and the formulas for employer and employee contribution had been adjusted accordingly. Cohen said there is only \$2 million a year available in state funding.

S.F. 1321, as amended, was incorporated into S.F. 451, which was approved and forwarded to the full Finance Committee.

### Omnibus debate carries on

As promised, complete language of the omnibus bill was presented to members of the State Government, Economic Development and the Judiciary Budget Division at the Weds., Apr. 25, meeting. Sen. Richard Cohen (DFL-St. Paul), chair of the division, led members through the bill as they approved all of the non-controversial language. Throughout the course of the meeting, he and other members offered and approved a number of technical amendments to the bill. Cohen also said the bill had been drafted with a small amount of bottom line money

# Committee update

left to be considered for omitted or underfunded programs.

A key aspect of the bill's language the members still needed to discuss is the reorganization of departments relative to workforce and economic development. Sen. Ellen Anderson (DFL-St. Paul) said that she and Sen. David Johnson (DFL-Bloomington) worked out most of their disagreement regarding the reorganization. She said they agreed to create a Department of Labor out of the former Department of Labor and Industry and they agreed to wait for the transition team's recommendations before deciding where to put disability programs.

Johnson and Anderson presented different provisions defining the overall aims and makeup of the transition team. The transition team in Johnson's language is limited to Legislators and representatives of the administration, while Anderson's team includes six additional members representing labor, workforce centers and non-profits. Johnson said a team with fewer decision making members can still hear from all interested parties without jeopardizing the team's ability to arrive at a consensus. Members adopted the Johnson language.

Regarding the specified areas to be examined by the transition team, Johnson successfully proposed an amendment combining the language offered by him and by Anderson. Johnson also gained approval for inclusion of provisions he carried this session related to the functioning of the Job Skills Partnership Board.

An aspect of housing policy included in the bill is the inclusionary housing program from an earlier bill by Cohen, S.F. 1217. As incorporated in the omnibus bill, participation in program is voluntary for developers. Sen. David Knutson (R-Burnsville) said the provision still contains a mandate in that, if developers choose to participate, the local government still has to grant them a density bonus. Anderson also offered an amendment to include the language from the Minnesota Housing Finance Agency bill carried by Sen. Julie Sabo (DFL-Mpls.). The amendment was adopted.

The final major area of language addressed by members is the reference to the Gopher State ethanol plant mentioned at the previous meeting. Anderson said the language as it appears in the bill reflects members' wishes, making the appropriation a grant while including provisions for

the accountability of the solution being funded.

Members offered a number of amendments related to funding for economic development or workforce programs. Sen. Sam Solon (DFL-Duluth) added an amendment extending unemployment benefits for 13 weeks for former employees of Fingerhut in Mora, Onan Power Electronics in Nicollet County or M. E. International in St. Louis County. Sen. Dave Kleis (R-St. Cloud) offered an amendment to the amendment to add Fingerhut employees in St. Cloud. Sen. Martha Robertson (R-Minnetonka) said the Solon amendment seeks to serve very small communities where the impact of layoffs has been particularly acute. Kleis withdrew his amendment and the Solon amendment was approved. Solon also gained approval for an amendment granting \$25,000 to the Veterans Memorial Hall in St. Louis County for the physical component of an online veterans exhibit.

Knutson offered an amendment on behalf of Sen. Steve Kelley (DFL-Hopkins) that adds language for the Technology Enterprise Fund and raises the appropriation in the bill from \$671,000 to \$1 million. An amendment by Sen. James Metzen (DFL-South St. Paul) grants \$25,000 a year to the National Guard camp at Camp Ripley. Cohen and Robertson offered amendments increasing the bill's appropriations for the Centers for Independent Living and the Twin Cities Rise program. These amendments were all approved and funded from the bottom line cushion in the bill.

Anderson gained approval for \$1 million in funding for voluntary paid parental leave on a pilot project scale. She emphasized that participating in the paid leave is voluntary for employers and added that the amount of funding represents a scaled down implementation to gauge feasibility of and interest in the program.

Funding amendments related to housing were offered by Kleis and Sen. Jim Vickerman (DFL-Tracy). The Kleis amendment completely removes funding from 13 different economic development programs to provide \$24 million for housing. He said the governor will veto the bill's \$75 million in one-time funding because it comes from FY 01. The amendment was not adopted. A program to buy-out mobile or manufactured homes is addressed in the Vickerman amendment. A

total of \$1 million is designated for the program, under the amendment, which is to come from an \$8 million portion allocated for local grants, lead abatement and homeless veterans. Knutson said the program was quite controversial in the policy committee and does not deserve to compete for funding with the other issues addressed by the \$8 million. Anderson said the committee worked a long time to work out a satisfactory buyout limits and conditions in the amendment. The amendment was adopted.

Johnson gained approval for an amendment mitigating the impact of the new north-south runway at the airport. The amendment captures money from a tax on rental cars to provide funding for the purchase of homes on streets most affected by the new runway. The amendment was adopted.

One other funding-related amendment was offered by Knutson to recapture administrative fees collected by the Secretary of State for direct services related to Uniform Commercial Code Article 9 compliance. Knutson said the department needs to retain the \$840,000 in fees in order to administer the program, but the bill shows the funds as being spent elsewhere. His amendment takes \$840,000 from the Biomedical Innovation and Commercialization Initiative. The amendment was not adopted.

Sen. Cal Larson (R-Fergus Falls) offered several amendments related to the Worker's Compensation Reinsurance Association. First, he offered an amendment placing the association under the authority of the Department of Commerce. After the amendment was defeated, he offered two more requiring annual reports by the association to the Legislature and limiting the salaries of the associations administrators. The reporting requirement was adopted and Larson withdrew the cap on salaries.

Several amendments were offered that do not alter or redirect funding items in the bill. All of the amendments were adopted. Johnson offered language consolidating a number of campaign finance reforms approved by the Rules and Administration Committee. Larson offered an amendment specifying the Upper Minnesota Travel Information Center as a center given priority to receive the available travel center funding. The other priority center, under the bill, is the center in Worthington. Metzen offered an

amendment that increases surcharges on real estate filing to make up for incomplete funding of an electronic filing task force. He also offered an amendment modifying the cost allocation system for the Metropolitan Council's sewer interceptors. An amendment by Solon provides for allowable administrative expenses in the appropriations for transitional housing and emergency services. A Johnson amendment adds distance employment as an area eligible for Job Skills Partnership grants.

Other non-fiscal amendments were approved as offered by Metzen, Vickerman, Anderson and Cohen. Spending authority for 911 funds is expanded with non-controversial language offered by Metzen. An amendment by Vickerman also addresses spending authority for the Department of Administration, regarding 911 monies already collected.

An amendment by Anderson requires the creation of a uniform self-sufficiency standard as a workforce development tool. Another of her amendments sets a minimum project costs under which construction of park buildings may be expedited. Cohen offered language on behalf of the Department of Finance, allowing the department to bill back for statewide administrative systems.

The bill, as amended was approved and re-referred to the full Finance Committee.

## Taxes

### Transportation bill okayed

Members of the Committee on Taxes met Mon., Apr. 23, to discuss the omnibus transportation and public safety budget bill. Sen. Dean Johnson (DFL-Willmar) presented S.F. 2340, the transportation budget package, and reviewed its tax sections.

All but two taxation-related sections were amended out of the bill. The sections left in the omnibus transportation package must be reviewed by the Rules and Administration Committee, explained Sen. Lawrence Pogemiller (DFL-Mpls.), committee chair. Pogemiller said the sections amended out of S.F. 2340 will be considered for inclusion in the omnibus tax bill. The sections include provisions for vehicle registration tax exemptions for snowplows, a three-cent increase in the per-gallon gasoline tax, annual indexing

of the gasoline tax to inflation, gas tax exemptions for ambulance services and a sales tax exemption for the Dept. of Transportation.

Several other amendments to the bill were offered. Sen. William Belanger (R-Bloomington) moved to amend a section of the bill appropriating \$18 million to avoid a planned Metro Transit fare increase. Belanger's amendment changed the appropriation to \$23 million to avoid a property tax increase in the Metro Area and deleted funding for transit ways in the Metro Area. The amendment was defeated on a roll call vote, 11-17.

Sen. Warren Limmer (R-Maple Grove) moved to amend the bill to dedicate a higher percentage of motor vehicle excise tax (MVET) revenues to the highway user tax distribution fund. Under current law, 32 percent of MVET revenues are dedicated to the highway fund. The bill proposes a constitutional amendment to require 50 percent of MVET revenues be used for transportation purposes. Limmer's amendment dedicated 60 percent of MVET revenues to the fund and decreased by 3 percent the amount of MVET revenues earmarked for transit purposes. The amendment was defeated on a roll call vote, 12-16.

The transportation and public safety omnibus budget bill was approved as amended and re-referred to the Committee on Rules and Administration on a 15-11 roll call vote.

## Income and Sales Tax Budget Division

### Marriage penalty discussed

Members of the Income and Sales Tax Budget Division, chaired by Sen. Don Betzold (DFL-Fridley), met Thurs., Apr. 19, to consider 11 bills.

Sen. Bob Kierlin (R-Winona) presented S.F. 2062, a measure to reduce income tax marriage penalties. The bill allows a subtraction of the earned income of the lesser-earning spouse from total earned income or modified adjusted gross income, whichever is larger, in computing the phase-out of the credit over a threshold amount. The proposal includes a calculation for a working family credit, a dependent care credit and an elderly/disabled credit. The Minnesota alternative minimum tax exemption amount is increased under the bill, from \$40,000 to \$60,000

for married couples filing a joint return and from \$20,000 to \$30,000 for married couples filing separately.

Speaking for the Family Children Service, Kathy Strobel said her agency endorses the bill because it greatly benefits working lower income families. The bill makes 4,150 claimants eligible for the credit and 17,400 married working family claimants eligible for increased tax credits for 2001, she said.

Sen. LeRoy Stumpf (DFL-Thief River Falls) presented two bills related to geothermal heating and cooling systems. S.F. 2274 provides an income tax credit for a portion of the cost of acquiring and installing a geoechange system. Stumpf said geoechange is the most energy efficient system for heating and cooling, representing energy savings of 40-70 percent over current technologies. Under the bill, a nonrefundable credit is allowed against the individual income tax and corporate franchise tax equal to 50 percent of a taxpayer's excess expenditures to acquire and to install a geothermal system. A fiscal note estimates a cost of \$3.9 million for FY 03 related to the bill. S.F. 2275 provides a sales tax exemption for geothermal heating and cooling systems, including an exemption for materials used and labor charged for installation.

Stumpf also carried S.F. 2178, a measure allowing a partial refund of fuel tax for commercial owners of recreational fishing launches. Under the bill, the motor fuels excise tax on gasoline or special fuel used in a motor launch for recreational fishing as part of the operation of a resort would be refunded to the extent that the taxpayer's annual motor fuels tax exceeds \$200.

Sen. David Tomassoni (DFL-Chisholm) carried S.F. 2213. The measure provides and expands a health insurance subtraction for the self-employed. The subtraction includes health insurance premiums that are eligible for the itemized deduction for medical expenses, but not deducted in determining federal taxable income or used for the long-term care insurance credit. Insurance underwriter Tom Devine said the bill addresses "a fairness issue."

Sen. Satveer Chaudhary (DFL-Fridley) presented three bills. S.F. 2152 expands dependent care credits eligibility to taxpayers who had employment-related expenses for dependents over 13 years of age, but not yet 15 years old. Current law

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limits the credit to taxpayers with dependents under 13 years old, if not disabled. Kids Key Club spokesperson, Phyllis O'Brien said the bill addresses middle-school-aged children who are left unattended after school. The credit is limited to \$720 for claimants with expenses for one qualifying student and \$1,440 for claimants with expenses for two or more qualifying dependents.

S.F. 2257 allows licensed teachers to subtract up to \$500 from taxable income for the purchase of non-religious classroom materials and supplies. St. Paul Teachers Federation representative Ian Keith said that teachers consistently provide supplies to students out of pocket rather than compromising on quality of education. Members considered the possibility that teachers might currently be allowed deductions for school supply expenses claimed as charitable donations.

The third bill presented by Chaudhary, S.F. 2155, is a proposal to expand the current health insurance subtraction for self employed taxpayers to include all taxpayers. The subtraction includes health insurance premiums that are eligible for the itemized deduction for medical expenses but not deducted in determining federal taxable income, used for the long-term care insurance credit or excluded from income under federal law. A fiscal note estimates a FY 02 expense of \$32.7 million related to the bill.

Sen. Roy Terwilliger (R-Edina) authored S.F. 2104. The measure eliminates employer withholding taxes and requires wage earners to make their own estimated tax payments for each month's wages by the 15th day of the following month. Terwilliger said, "Taxpayers look at their take-home pay and are unaware of how much they actually earn or where their money goes because of automatic withholding deductions." Betzold said he thought the bill would create compliance problems because taxpayers are unaccustomed to setting aside tax payments.

Sen. Martha Robertson (R-Minnetonka) carried S.F. 1976, a measure allowing taxpayers to request that tax notices be given to holders of power of attorney. Robertson said she originally thought the bill was uncontroversial, involving switching the mailing address from the taxpayer to the person who has power of attorney, but later learned that the intent of the proposal is to provide duplicate copies to both the taxpayer and

the power of attorney. Robertson said that the Dept. of Revenue indicated that reprogramming databases and updating files to accommodate the proposal would be costly. Mel Goldfein, CPA, said he supported the bill as proposed, and that it coincides with federal power of attorney forms. An amendment was offered by Robertson to change language in the bill so that a taxpayer may elect in writing to have all correspondence between the Dept. of Revenue and the taxpayer sent to the holder of power of attorney.

Sen. Jim Vickerman (DFL-Tracy) authored S.F. 330, a bill that extends a credit for the amount of income tax paid to states ("lands") of Germany to the extent that such tax exceeds the amount of foreign tax credit allowed on the federal return. Under the bill, the same limit would apply to taxpayers with taxable Canadian income, except that tax paid to a Canadian province in excess of the federal foreign tax credit may be used for computing the Minnesota credit. Betzold said, "This is the only bill offered today that actually raises money."

No formal action was taken on any of the bills presented.

## Bill priorities discussed

Members of the Income and Sales Tax Budget Division met Fri., Apr. 20. The panel combed through a list of over 100 bills heard by the committee throughout the session and began prioritizing the measures for inclusion in the omnibus tax bill. The division had heard testimony on all bills previously and no additional testimony was heard.

The division choose to include in the omnibus bill 15 out of 35 sales tax exemption bills. The recommended bills exempt the purchase of unmarked police cars, smoking cessation aids, certain foods and beverages bought in vending machines, construction labor for prefabricated homes, school district vehicles, Minnesota Zoo tickets, certain energy efficient appliances and other items. Sen. Steve Murphy (DFL-Red Wing) said, "If the bill addresses a tax fairness issue or exemptions of something we are trying to promote, like smoking cessation devices, it should be a priority."

The division also created a prioritization of income tax subtractions. The completed list includes subtractions for long term care insurance, active duty military pay for people living out of state,

restoration of historic buildings, property donated for conservation program, class room materials and adoption services.

Sen. Don Betzold (DFL-Fridley), division chair, said that all bills that increase local sales taxes to fund municipal projects should be added to the omnibus bill because they do not create any revenue loss to the state. He also said that retailers had testified against some of the bills because they believed the measures create competitive disadvantages for retail business owners. The division approved a motion to include all seven local sales tax increase bills to the omnibus bill. The measures authorizes increases in Cloquet, Hermantown, Beaver Bay, Fairmont and St. Cloud. A raise in the taxes on lodging in Minneapolis as well as food and beverages in Hopkins were also approved.

The division also put into the omnibus bill all measures that provide sales tax exemptions for purchases of necessary construction materials and other supplies for regional projects, such as the North Star commuter rail project, a regional fire fighting training center in Marshall, biomass electrical facilities, a soybean processing plant and a facility that converts used tires into energy. "We should reach out and encourage these kinds of cooperative activities," said Sen. Grace Schwab (R-Albert Lea).

Exemptions for materials needed to complete construction of municipal facilities were also discussed by the division. Betzold said the total loss of revenue, if the division approved all local sales tax exemption bills, would be \$100 million. However, he said, if the exemption is limited to only construction materials and supplies for government buildings, streets and other infrastructure the total cost would be reduced to \$59 million for the biennium. "It's a fairer way to go about it," he said. "It's better than trying to decide whose city hall looks better than some else's." Sen. Mady Reiter (R-Shoreview) said if the state can't afford to lose all the revenue from eliminating the tax paid by local governments, the division should consider a partial refund of the tax. Sen. John Marty (DFL-Roseville) said lowering the tax now would make it easier to eliminate the tax in the future.

The division also okayed all three bills that create tax free or enterprise zones. One of the measures, S.F. 474, authored by



Sen. Jim Vickerman (DFL-Tracy), establishes a general policy for creating tax free zones in economically depressed areas. The other bills target the city of Luverne and western border enterprise zones.

## Property Tax Budget Division

### Bills considered

Members of the Property Tax Budget Division met Thurs., Apr. 19, to hear several property tax proposals. The bills were laid over for consideration in the division's omnibus tax measure.

S.F. 1662, authored by Sen. Jane Ranum (DFL-Mpls.), adds the St. Paul Intermediate Airport to the St. Paul school district's property tax base and the Minneapolis-St. Paul International Airport to the Minneapolis school district's property tax base.

Sen. Sandra Pappas (DFL-St. Paul) carried two measures. S.F. 1810 allows Ramsey County to sell tax forfeited land for less than market value to a government subdivision if the land is used for a public purpose. S.F. 1910 exempts a biomass electrical generating facility's attached machinery and other personal property.

S.F. 2067, carried by Sen. Kenric Scheevel (R-Preston), exempts county governments from the sales tax and permanently reduces county HACA payments. Sen. Arlene Lesewski (R-Marshall) carried S.F. 2262, a bill to authorize Yellow Medicine County's governing body to extend a TIF district's duration for up to 10 years.

Sen. Don Samuelson (DFL-Brainerd), chair of the division, presented S.F. 2281. The measure provides a property tax exemption for electric generation personal property and provides state replacement aid for local governments equal to the lost tax revenue. Under the bill, the utilities must reduce their customer rates by the full property tax reduction.

S.F. 2191, carried by Sen. James Metzen (DFL-South St. Paul), provides a property tax exemption for electric generation personal property, excludes the personal property from school districts' general education levy and reduces the class rate for electric generation personal property from 3.4 percent to .85 percent.

Metzen also presented two other proposals. S.F. 1938 authorizes the city of South St. Paul to transfer land acquired

from the Dept. of Transportation to a private entity for the construction of single-family housing. S.F. 2141 provides for the transfer of tax-forfeited land in South St. Paul to Special School District #6.

Sen. Ann Rest (DFL-New Hope) presented two bills. S.F. 2239 clarifies the definition of "consideration" for the deed tax in a contract for deed transaction that require improvements to the real property during the contract's term. S.F. 1228 establishes a state-administered, sustainable-forest property tax refund program for forest property consisting of at least 20 contiguous acres. Under the proposal, at least half the land must be forested during enrollment in the program. Under the bill, the land must have a forest resource management plan, be enrolled for at least eight years and have no delinquent property taxes.

S.F. 2264, authored by Sen. Julie Sabo (DFL-Mpls.), repeals the Met Council's authority to levy property taxes except to pay outstanding debt issued prior to Jan. 1, 2002. The bill also reduces the general sales, use and motor vehicle sales tax rates from 6.5 to 6 percent and authorizes area transportation partnerships, including the Met Council, to impose a half-percent sales, use and motor vehicle taxes by resolution.

Sen. Dean Johnson (DFL-Willmar) offered S.F. 2268. The bill restricts the farm homestead eligibility for joint farm ventures, limited liability companies and partnerships to family farms. The measure also extends the homestead eligibility to the farm owner's spouse or the spouse's son or daughter if the person is actively farming the property and does not live more than four towns or cities from the property.

S.F. 2280, carried by Sen. Gen Olson (R-Minnetrissa), proposes a constitutional amendment prohibiting the state and political subdivisions from levying real and personal property taxes.

Sen. David Knutson (R-Burnsville) carried S.F. 2282, a bill to reduce the class rate on property used exclusively as a licensed child care provider facility to 1.65 percent.

S.F. 2292, authored by Sen. Cal Larson (R-Fergus Falls), defines maple syrup as an agricultural product. Under current law, land producing agricultural products is classified as agricultural for property tax purposes.

### Preserve exemption okayed

The Property Tax Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), met briefly Fri., Apr. 20, to hear four bills. Among the bills considered was S.F. 263, carried by Sen. Michele Bachmann (R-Stillwater).

The measure permits the city of Afton to continue a landowner's initiation to remove a parcel of land from the Metropolitan Agricultural Preserves (MAP) program. According to John Hagen, Dept. of Revenue, land enrolled in the program must be used for agricultural purposes and is valued at agricultural use, not the standard highest and best use valuation, for property tax purposes. While enrolled in the program, participants cannot divide their land and cannot have more than one home per 40 acres of land, under current law.

Cathy Muckala, one of the landowners involved, said she and her sister inherited 40 acres of land from their aunt. The land is enrolled in the MAP and cannot be removed for 8 years after a notice of withdrawal has been filed, she said. Due to family concerns, the sisters want to divide the land and each build a home on the property, Muckala said. Muckala said she and her sister are willing to abide by the terms of the program for eight years and are also willing to pay higher property taxes.

S.F. 263 was approved and advanced to the full committee.

Members also considered two bills that were adopted for inclusion in the division's omnibus bill. S.F. 1041, authored by Sen. John Hottinger (DFL-Mankato), is a bill relating to tax increment financing that the panel had previously heard. Sen. Arlene Lesewski (R-Marshall) presented S.F. 304. The proposal authorizes the city of Luverne to designate one to six areas as border city development zones, not to exceed 100 acres, and sets the state tax reduction allocation at \$183,000 for all years that the zones exist. A business located in one of the zones may qualify for a property tax exemption, corporate franchise tax credit and a capital equipment and construction materials sales tax exemption.

S.F. 2271, carried by Sen. Becky Lourey (DFL-Kerrick), changes the calculation of the sales ratio used for equalized aid distribution to school districts and local units of government. The bill was laid aside at the author's request.

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## Bills heard

Members of the Property Tax Budget Division met briefly Weds., Apr. 25, to consider several items for inclusion in the division's omnibus property tax proposal. Sen. Don Samuelson (DFL-Brainerd) chairs the division.

Three proposals dealing with tax increment financing (TIF) were presented. One, from Sen. David Tomassoni (DFL-Chisholm), allows the city of Hibbing to use TIF monies as the final link in a financing package that is part of a broader plan to co-locate community and technical colleges in the region.

Funds raised from the Hibbing TIF district will be used only for site preparation for a relocated privately operated racetrack, according to Senate counsel. The racetrack's former site, Tomassoni said, is the new site for the co-located colleges.

A proposal carried by Sen. Sam Solon (DFL-Duluth) and Sen. Douglas Johnson (DFL-Tower) adds a parcel of land directly adjoining an existing TIF district in Duluth to the district.

According to a representative of the city, a portion of the funds raised will be used to clean up the added land, which is the most significant brownfield in the city.

Sen. John Hottinger (DFL-Mankato) offered a proposal dealing with issues already heard as part of S.F. 2070. Hottinger's proposal clarifies that cities and counties have the choice to use TIF funds to cover mitigation costs associated with a planned expansion of the Dakota, Minnesota and Eastern Railroad.

The measure also clarifies when a city or county is entitled to establish a TIF district and where the mitigation funds can be used.

All three TIF measures were accepted for inclusion in the omnibus bill.

Also included in the division's omnibus package were S.F. 2065 and S.F. 1391.

Sen. Ann Rest (DFL-New Hope) presented S.F. 2065, a bill granting Hennepin County broader discretion over funds and the authority to issue bonds for a multi-jurisdictional community works program.

Sen. Chuck Fowler (DFL-Fairmont) carried S.F. 1391. The bill is the Dept. of Revenue's technical bill clarifying various elements of the tax codes.

## Transportation and Public Safety Budget Division

### Omnibus bill approved

A \$535 million transportation and public safety funding package was approved, in a 6 - 2 vote, at the Transportation and Public Safety Budget Division meeting Thurs., Apr., 19. The division, chaired by Sen. Dean Johnson (DFL-Willmar), re-referred the measure to the Tax Committee.

Under the bill, approximately \$300 million of the \$796 million surplus is appropriated to advance construction projects that are underway. The appropriation cuts the estimated completion dates in half, allowing 20-year projects to be completed in about 10 years.

Johnson's amendment to the bill increases the gas tax by 3 cents per gallon. The amendment raises approximately \$90 million a year for highway construction and maintenance, said Johnson. The 3-cent tax hike is scheduled to commence on July 1, 2003, increasing the 20-cent tax for the first time since 1988, he said. The amendment was approved by a 7 - 2 margin and was incorporated into the omnibus bill. In an effort to keep pace with inflation, a provision in the amendment calls for indexing the gas tax beginning in April 2003, which yields another \$15 million per year, said Johnson.

Another amendment, providing an opportunity for voters to decide on a Constitutional amendment, was approved. The amendment designates 50 percent of the 6.5 percent motor vehicle excise tax (MVET), on truck and car sales, for transit. Presently, 32 percent of MVET is designated for transit purposes. Amy Vennewitz, from Senate Research, said, "The additional 18 percent MVET designation is dedicated to transit operating activities and yields an additional \$15 - \$20 million per year." Johnson said the 18 percent MVET increase also fills the gap created last year when license tab fees were decreased. Under the bill, the existing general fund appropriation for transit operations is canceled.

Voters are provided with an additional opportunity to decide transportation funding through a provision that requires a seven county Metro Area vote to increase the state sales tax by one-half cent. Under the bill, money collected from the increase is designated for area transportation projects.

Sen. Roy Terwilliger (R-Edina) presented an amendment that suspends work on the Highway 62 Crosstown project for one year to address unmet capacity needs in the present plan. Terwilliger said the \$100 million project compounds traffic congestion on one of the 20 worst bottlenecks in the country and, upon completion, only provides a 60 percent solution. The amendment was adopted.

Terwilliger also offered an amendment incorporating the "photo cop bill" into the omnibus package. The amendment, authorizing cities to proceed with surveillance cameras at intersections, allows for the photographing of license plates of cars traveling through red lights. Additionally, car owners are ticketed for the offense regardless of who is at the wheel when the photograph is taken. Terwilliger said offense fines cover costs and any amount collected in excess of costs is deposited into the crosswalk safety account. The amendment was adopted and included in the omnibus bill.

Several provisions in the bill designate a total of \$18.1 million for CriMNet, a computerized criminal justice information system, linking all county criminal files to the Bureau of Criminal Apprehension and court system files.

Other funding measures in the bill include \$18 million to cancel an anticipated bus fare increase in the governor's proposal, \$10 million each for designing the St. Cloud to Minneapolis North Star commuter rail line, and the purchase of Richfield homes affected by airport noise. The bill also provides \$6 million to Granite Falls for disaster assistance, \$4.3 million to the State Patrol to hire 65 additional troopers and \$1.63 million to equip state patrol cars with video cameras. Additionally, the bill includes \$3 million for the city of St. Paul's purchase of the Union Depot and \$1 million for bullet-proof vests for police officers. The Amateur Sports Commission, under the bill, receives \$2.5 million and \$2.75 million, respectively, for Mighty Ducks hockey arena grants and for soccer fields.

### Last minute bills heard

The Transportation and Public Safety Budget Division met Mon., Apr. 23, to hear a variety of bills. All bills were approved and referred to the Finance Committee.

Sen. Bob Lessard (IND-Int'l. Falls) authored S.F. 1481, a bill appropriating \$300,000 to the Minnesota Amateur Sports Commission for a one-time grant for a shooting sports program. Lessard said the world-class, state-owned shooting facility in Grand Rapids needs funding to train participants and coaches in shooting sports that are Olympic events. "There will be access to some national funding if this appropriation is secured," he said.

S.F. 1997, presented by Sen. Lawrence Pogemiller (DFL-Mpls.), authorizes permanent bonding authority for the Metropolitan Council. "This authority allows for better long-term planning and a match of federal funds," said Pogemiller. Under the bill, the council may issue bonds for capital expenditures outlined in the council's regional transit master plan and transit capital improvement program. A provision in the bill limits the bonding authority to \$45 million in FY 2002, allows for inflationary increases in the following years and carries forward any amount not bonded the previous year. Further, the bonding authority only applies in the seven-county Metro Area.

The Metropolitan Airports Commission may acquire approximately 27 acres in and around the Coldwater Springs area under S.F. 2170. Sen. Julie Sabo (DFL-Mpls.), author of the bill, said that after the commission acquires the property from the federal government, it may convey the land to the Dept. of Natural Resources for a park or green space. Exceptions to the provision include retention of an easement to allow for overflight and the authority to impose restrictions on the transferred property's use that is inconsistent with or creates conflicts with aviation programs.

Sen. Jane Ranum (DFL-Mpls.), author of S.F. 619, the omnibus domestic abuse bill, requested the appropriation section be deleted prior to sending the bill to the floor.

Sen. Edward Oliver (R-Deephaven), presented S.F. 1541, the Department of Commerce enforcement bill. Various provisions in the bill modify certain continuing education requirements, and regulate certain fees, costs, duties, rights and penalties.

An author's amendment addressing three separate issues was offered by Oliver. After a contentious debate, the amendment was divided. The first amendment, decreasing a two-hour fair practices training requirement for realtors to a one-

hour training requirement, spawned a lengthy discussion. Under the bill, real estate brokers and salespersons are required to attend a two-hour training class every two years. The class is designed to help licensees meet the housing needs of immigrant and other under-served populations, said Oliver.

Sen. Randy Kelly (DFL-St. Paul) asked why there should be a 50 percent cut in training when there is a 50 percent rise in the state's immigrant population. Oliver said the same course content has been offered to real estate brokers and salespersons for the last 12 years and the redundancy is not necessary. Susan Dioury, a representative from the Minnesota Association of Realtors, agreed and requested the one-hour training class be instated. Commerce Department representative Gary Lavasseur said the department does not oppose the change. However, Kelly offered an amendment reinstating the two-hour training requirement. The amendment was defeated and the first part of the amendment to S.F. 1541 was adopted.

The next part of the amendment directed the Dept. of Commerce to examine whether real estate professionals should be required to attend continuing education courses in state and federal fair housing laws and other anti-discrimination laws, in order to further consumer protection. The second part of the amendment was adopted.

The final part of the amendment sets fees for both initial and renewal residential mortgage originator licenses. Under the amendment, initial fees are set at \$850, \$50 of which is credited to the consumer education account in the special revenue fund, and renewal fees are set at \$450 with the same credit transfer. Another provision in the amendment establishes a consumer education account in the special revenue fund. Money credited to the account may be used as grants by the commissioner of commerce to programs and campaigns designed to help consumers avoid victimization by unscrupulous lenders and mortgage brokers. Under the provision, a sufficient amount is appropriated annually from the consumer education account to the commissioner to make the grants. The amendment was adopted.

Oliver also presented S.F. 1098, a bill transferring remaining duties of the commissioner of public service to the commissioner of commerce. Also under

the bill, the administration and enforcement of the Unfair Cigarette Sales Act is transferred from the commissioner of revenue to the commissioner of commerce. Oliver said the transfer of duties makes the regulation of state commerce more efficient and effective. An amendment was adopted adding inspection of light capacity scales and packaged food commodities, in retail stores, to the responsibilities of the commissioner of commerce.

S.F. 829, authored by Sen. Steve Murphy (DFL-Red Wing), increases the motor vehicle registration transaction filing fee from \$3.50 to \$4.50 and imposes a filing fee of \$7 on every other type of vehicle transaction. In addition, the motor vehicle dealer retains \$2.50 of each filing fee involving the sale of a motor vehicle to or by a licensed dealer, if the dealer electronically transmits the transaction to the registrar or deputy registrar.

An amendment requires the department to develop procedures to implement the fee increases and dealer fees, in consultation with the Minnesota Deputy Registrar Association and the Minnesota Automobile Dealers Association. The amendment also bans registrars from prohibiting deputy registrars from receiving and processing required documents supporting an electronic transaction. The amendment was adopted.

## Racial profiling debated

A bill requiring the mandatory collection of racial profiling statistics was heard by the Transportation and Public Safety Budget Division, when the group met Tues., Apr. 24.

The bill, authored by Sen. Jane Ranum (DFL-Mpls.) defines racial profiling as law enforcement actions that rely on the race, ethnicity or national origin of an individual, rather than on the behavior of that individual. The measure, S.F. 386, incorporates findings from a legislatively appointed committee on racial profiling that found the reality or public perception of racial profiling alienates people from the police, hinders community policing efforts and causes law enforcement to lose credibility and trust.

The bill requires that for each traffic stop an officer must report the location, date and time, the gender, age and race or ethnicity of the driver, the traffic violation that led to the stop, whether a search was

# Committee update

conducted, and if so, on what authority, and whether the officer knew the race or ethnicity of the driver before the stop. The measure specifies that the information collected must be examined by the commissioner of public safety and an analysis of data must be performed by an outside expert.

Ranum provided several counter-arguments to common misconceptions of racial profiling legislation. She said data collection does not cause officer disengagement and cited the lack of officer disengagement after the federal government instituted a mandatory recitation of the Miranda warning during arrests. She said data collection allows for more effective management of police agencies because supervisors are given the information they need to confront officers who practice racial profiling. The Minnesota court system, she said, already collects racial data in order to prevent injustices in the judiciary.

Several citizens related their experiences as victims of racial profiling. Former Minnesota Representative Richard Jefferson said he had been stopped twice and not given tickets. "Driving while black should not be a stoppable offense," he said.

Natalie Johnson Lee said she feared for her children's rights and safety. "The Senators in this room," she said, "don't have to worry about where their children drive, whether they will be stopped for no good reason and snatched out of their cars by the police, but we do. We deserve the right to travel uninterrupted without being stopped."

Ron Edwards, representing the Black Police Officers Association of Minnesota, said half of the members of the organization, all of whom are police officers themselves, have been victims of racial profiling.

"In the history of the State Patrol," said Commissioner of Charlie Weaver, "we have never had a sustained report of racial profiling." He said that the patrol makes 690,000 stops per year.

He said if the troopers were required to fill out a form that only takes two minutes to complete the total amount of time devoted to the study would be 23,000 hours.

According to information provided by the Institute for Race and Poverty Studies at the University of Minnesota and the Department of Justice, collecting

profiling data in New Jersey, a state with twice the population of Minnesota, required little additional time.

Ranum said a legislative workgroup on racial profiling estimated the cost of mandatory data collection to be \$90,000. The information provided by the Institute on Race and Poverty and the Department of Justice states that cost to collect the data in New Jersey is \$130,000 per year and the cost in North Carolina, a state with a larger population than Minnesota, the cost is about \$50,000 per year. Ranum said that the cities of Minneapolis and St. Paul both require the collection of racial profiling data and are able to absorb the costs within their police departments.

"To talk about the cost of racial profiling now is to say to the African American community 'Your civil rights are just too expensive and inconvenient to the police,'" said Susie Hartigan, a researcher at the Institute for Race and Poverty.

Sen. Randy Kelly (DFL-St. Paul) offered an amendment to S.F. 386 that allows local police agencies to decide whether or not they want to participate in a racial profiling study and sets August 2001 as the deadline for the study.

The amendment also appropriates \$5 million for grants to local law enforcement agencies for the installation in police cars of video cameras that have audio features. Videos of traffic stops, under the amendment, are recorded and stored for at least six months.

The amendment states that people who feel that they have experienced racial profiling may call a toll free number and file a complaint with the Attorney General's Office, which has access to the videos and can review the tape of the incident. The amendment requires all state patrol cars to have cameras and allows local agencies to choose to enter the racial profiling study.

"Cameras and audio equipment have a tremendous impact on people's action," said Kelly. "Putting cameras in cars will be an immediate way to resolve racial profiling."

Sen. Dick Day (R-Owatonna) offered an amendment to the amendment that makes the use of video cameras optional for state patrol officers. Under Day's proposed changes, no collection of racial profiling is mandated. "This bill is aggravating, that's all," Day said. "It just aggravates law enforcement officers. In my community, we are getting along just fine,

Somali, Hispanic and all. This is the kind of bill that drives people apart." He said people needed to work in their own communities to prevent crime.

"We all know," said Gerald Graham, an attorney with the NAACP, "that only empirical data will convince some people that racial profiling exists, which is why the study must be mandatory."

"May versus shall," said Chair Dean Johnson (DFL-Willmar), "If we keep 'shall' and find out there is no problem, then great. But if we put in 'may', we will continue to have the complaints and sentiments we hear today." Day's amendment failed on a 2-7 vote.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment to Kelly's amendment that provides grants for cameras only to agencies that participate in the racial profiling study. The money, he said, provides an incentive for agencies to participate in the study. The amendment was defeated by an 1-8 vote.

Kelly's amendment was adopted by the division on a 7-2 vote. The division recommended the bill, as amended, to pass on a 7-2 vote and advanced the measure to the full Finance Committee.

The division also recommended S.F. 1570 and S.F. 1750 and referred both measures, authored by Sen. Dave Johnson (DFL-Bloomington), to the committee on Finance. S.F. 1570 modifies the duties of fire marshals and recreates the state fire marshal account. S.F. 1750 allows local law enforcement agencies to collaborate to form major financial crimes investigative units. Dave Johnson said that currently police officers are investigating financial crimes and need administrative and financial support.

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## Frequently called numbers

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# Floor action

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Friday, April 20

## Employee references debated

A lengthy debate on the floor of the Senate on Fri., Apr. 20, related to liability for employers and access by employees to work-related references. The issue came up as Sen. David Knutson (R-Burnsville) moved the concurrence and re-passage of S.F. 1047, a bill to which the other body had added the immunity language. The bill, originally passed on the Consent Calendar, had consisted only of a non-controversial change to background checks for apartment managers.

Sen. Roger Moe (DFL-Erskine) spoke in opposition to giving the bill concurrence and re-passage, moving instead that a conference committee be appointed to thoroughly examine the added language. Knutson said the liability provision is similar to a bill that had passed the Senate Judiciary Committee last session. Sen. John Hottinger (DFL-Mankato), the author of the bill to which Knutson referred, said the language that had been added to S.F. 1047 is not the same as his bill. Hottinger said the other body's language weakens employees' recourse when they believe information about them has been misrepresented or misused. Knutson and Sen. Deanna Wiener (DFL-Eagan) both said that if a conference committee is appointed, Hottinger should be on the committee.

Sen. Sheila Kiscaden (R-Rochester) said she was concerned the issue would be intentionally stalled in a conference committee. She said the issue impacts workplace safety because former employers who fear liability might not report information on dangerous people. Sen. Linda Scheid (DFL-Brooklyn Park) agreed that the issues need to be resolved, adding that current practice related to employee references might allow female employees to be defamed based on having filed sexual harassment claims. Sen. David Johnson (DFL-Bloomington) said the language in the amendment from the other body is not balanced enough and seriously impacts employer-employee relations.

By a count of 35 to 26, the Senate voted to appoint a conference committee to resolve the differences with the other body's language. Moe announced later in the session, and members approved, the five members to represent the Senate on the conference committee. They are Knutson, Hottinger, Johnson, Sen. Jane

Ranum (DFL-Mpls.) and Sen. Thomas Neuville (R-Northfield).

Two other bills were considered for concurrence and re-passage. S.F. 249, authored by Sen. Twyla Ring (DFL-North Branch) repeals obsolete rules relating to the Department of Human Services. The other bill, S.F. 1419 carried by Scheid makes minor changes related to payment bonds and notices of claims. The Senate voted 57-0 and 58-0, respectively, to accept the other body's amendments and re-pass the bills.

Taking up bills on Special Orders, Scheid also gained passage for S.F. 1264, a bill that lets persons who are 65 or older decide whether or not to carry wage-loss insurance as part of their automobile policies. The bill passed by a vote of 56-0. Members also considered H.F. 274, a bill that restricts the sale and distribution of thermometers made with mercury. The bill is carried by Sen. John Marty (DFL-Roseville), who invoked Rule 45 to pass the House version of the bill, which has a later effective date to allow stores to deplete existing stocks. The bill was granted final passage by a 54-0 vote.

Members also passed bills authored by Hottinger. H.F. 550, passed by vote of 59-0, provides an extension for rule making authority by EdVest, the state-sponsored program to encourage parents to save for their children's college educations. A bill that changes a number of provisions related to community-based planning, S.F. 1449, passed by a vote of 56-4. H.F. 323, a bill that extends a right of first refusal on the transfer of motor vehicle fuel franchises, passed 57-0.

Neuville gained final passage for two bills under his authorship, as did Sen. Dallas Sams (DFL-Staples) and Sen. Arlene Lesewski (R-Marshall). Neuville's bills both passed without any opposing votes. H.F. 239 clarifies and streamlines aspects of existing real estate law as recommended by the Real Estate Section of the Minnesota Bar Association. His other bill, S.F. 750, relates to the prescription of sympathomimetic medications such as ritalin.

S.F. 511, carried by Sams, and passed by a vote of 56-1, establishes a non-profit organization to assist with capital improvements related to the state fair and fairgrounds. H.F. 1160, a bill that reduces the frequency with which the prescribing activity of a physician's assistant must be reviewed, passed 56-0. S.F. 2022 and S.F.

486, carried by Lesewski, passed by votes of 55-0 and 56-0, respectively. S.F. 2022 clarifies the crediting of child support payments as it relates to the determination of when an obligor is considered to be in arrears. H.F. 486 establishes a requirement for the size of type used in political ad disclaimers that appear in newspapers. She offered and gained approval for an amendment to the bill that changes the requirement from 10-point type to 8-point type. The bill was passed as amended.

Other bills considered on Special Orders were S.F. 1965, authored by Sen. Ellen Anderson (DFL-St. Paul), S.F. 333, authored by Sen. Steve Kelley (DFL-Hopkins), and S.F. 866, by Sen. Sandra Pappas (DFL-St. Paul). Anderson's bill, which passed 57-0, deletes obsolete or superfluous language relating to the Department of Trade and Economic Development. The bill by Kelley, which authorizes cease and desist orders for the unlawful practice of veterinary medicine, passed 60-0. The bill by Pappas is the omnibus education policy bill. She added several non-controversial amendments to the bill and then it was laid on the table.

Finally, four bills were granted final passage on the Consent Calendar. H.F. 1260, authored by Kiscaden makes statutory language more neutral in its references to custodial and non-custodial parents. The bill passed 57-0. A bill by Sen. Jane Ranum (DFL-Mpls.), H.F. 1889, passed 58-0. The bill amends the procedure whereby the Secretary of State revokes certificates of authority for foreign corporations. Sen. Bob Lessard (IND-Int'l. Falls) gained passage for H.F. 1391 by a vote of 56-0. The bill encourages the United States Postal Service to create a postage stamp depicting the photograph titled "Grace" taken by a native of Minnesota, Eric Enstrom.

Monday, April 23

## Education amendments offered

The departmental bill on E-12 education policy was debated on the floor of the Senate at the session held Mon., Apr. 23. Several amendments were offered to the bill and it was eventually laid over. A number of other bills were presented on Special Orders and given final passage.

The education bill, S.F. 866, is carried in the Senate by Sen. Sandra Pappas (DFL-St. Paul). Sen. Charles Wiger (DFL-North St. Paul), Sen. Gen Olson (R-Minnetrista),

# Floor action

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Sen. Warren Limmer (R-Maple Grove) and Sen. Michele Bachmann (R-Stillwater) offered amendments.

The Wiger amendment addresses reading skills by creating a screening process and intervention program in the beginning grades. The amendment also addresses the preparation of teachers, establishing certification requirements that are based on scientific findings on proven methods of reading instruction. The amendment was adopted. The Olson amendment, also adopted, reinstates three non-controversial sections that are repealed under the bill.

Limmer's amendment prohibits the use of school students for the dissemination of political information by school districts or employees. Speaking in support of the amendment, Sen. Arlene Lesewski (R-Marshall) cited an example where a school district sent materials home with children directing parents not to vote for a specific candidate. Sen. Kenric Scheevel (R-Preston) said an additional concern is instances where the biased political opinions of teachers spill over into classroom assignments.

Pappas said she opposed the Limmer amendment on the grounds of free speech. Sen. Jane Krentz (DFL-May Township) said the language of the amendment had not been crafted carefully enough, adding that the provision is so broad that even coverage of politics by school newspapers is illegal. Sen. Leonard Price (DFL-Woodbury) said that, under the amendment, a teacher or janitor, for example, is not allowed to take his or her own child out door-knocking. Sen. Steve Kelley (DFL-Hopkins) said the amendment's vagueness would have a chilling affect on free speech and impede legitimate activity by students trying to learn about citizenship.

Limmer said the issues raised distract from the real problem of districts abusing their free access to students in order to convey slanted messages to parents. Neville offered an amendment to refine the language of Limmer's amendment by specifying that the use of students is only prohibited when the political speech advocates a specific action. The Neville amendment was defeated and Limmer withdrew his amendment.

As a way of introducing her amendment, Bachmann said the state's Profiles in Learning is a failed experiment. She said too many Minnesota high school graduates

from across the state are in need of remedial learning. The Profile has not fared well in independent evaluations and studies, Bachmann said, by a number of third party groups, including the Fordham Foundation, the American Federation of Teachers, and Achieve, Inc. She said the Profile is a manifestation of the intrusion of the federal government into local control and authority over education. In response to reports by the commissioner that problems with implementation are being addressed, Bachmann said better implementation will not solve a flawed assessment program. She said "It is a failed idea and a failed plan."

The Bachmann amendment repeals the Profiles in Learning, as well as the Minnesota Comprehensive Assessment tests at all levels. Limmer spoke in favor of the amendment, saying that the state's schools are losing their edge amidst increasing global competition for highly skilled students in science and math.

Olson said content in the system is severely lacking and added that she does not believe the commissioner will do enough to reform the system. Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) said he does not support the amendment but added that he will watch the commissioner's reforms of the system very closely.

Pappas defended the Profiles in Learning, saying that all of the state's major newspapers and education groups support keeping the system in place and giving it a chance to be effective. She said changes to the system last year allow more flexibility for districts and classrooms. Where there is poor achievement, she said, it is not created by the Profiles.

Pappas added that she believes the core knowledge in the system represents a good curriculum but is not a mandate. She also said one of the reports cited by Bachmann, the Achieve report, was not as serious an indictment as Bachmann suggested.

Sen. Dean Johnson (DFL-Willmar) and Sen. John Hottinger (DFL-Mankato) both said the amendment exaggerates problems with the condition of education in Minnesota. They said the state still ranks high in a variety of important national comparisons of the quality of graduates. Johnson added that dissatisfaction with the Profile is not what he hears his constituents talking about when they discuss education. Bachmann disagreed,

saying that parents and parent groups have been organizing for several years to address concerns with the Profile.

The Bachmann amendment was defeated by a vote of 26-39. S.F. 866 was laid on the table, to be taken up again with more proposed amendments at a later floor session.

Sen. Twyla Ring (DFL-North Branch) gained final passage for four bills on Special Orders. S.F. 564 allows an employee to access records compiled through participation by the employee in an employer-sponsored counseling program. The bill also specifies that employee assistance records be kept separate from employment records. Ring offered an amendment to allow recovery of reasonable attorney's fees when an employee has to resort to civil action.

Sen. Don Betzold (DFL-Fridley) said the bill received thorough attention in the Judiciary Subcommittee on Data Practices and should not be amended on the floor. Ring withdrew the amendment, which was then renewed by Limmer, who proposed an additional change deleting the word "actual" from the same provision's reference to recovery of "actual damages."

Limmer said the phrase "actual damages" limits what employees may recover if they prevail in suits. Ring amended the Limmer amendment to remove the change and reinstate the word "actual." The amendment to the amendment prevailed. The remaining provision of the Limmer amendment, allowing for the recovery of reasonable attorney fees, was discussed. Limmer said the change levels the playing field for employees who might be bringing action against employers with greater legal resources at their disposal.

The Limmer amendment, as amended, was adopted. The bill, with the Limmer amendment, passed by a vote of 63-0.

Ring also gained passage for S.F. 1392 by a vote of 58-2. The bill creates the non-profit Northern Technology Initiative to help existing business expand their capabilities and attract new economic development in East Central Minnesota. S.F. 1447, passed by 62-0 count, requires notice to parents when a facility for a Head Start program or child care center uses pesticides. Ring amended the bill to clarify the definition of child care center. Ring's technical bill for the Department of Health and Human Services, S.F. 1407, passed by a vote of 58-0. Another techni-

cal bill related to the department, S.F. 1397, passed by a vote of 66-0. The bill, authored by Sen. Sheila Kiscaden (R-Rochester), clarifies, updates, and consolidates language on background studies for licenses.

Two bills related to the insurance industry, both authored by Sen. Edward Oliver (R-Deephaven), passed by votes of 64-0. S.F. 1826 provides qualifications and procedures for the licensing of insurance agents and brokers. S.F. 1964 codifies into existing law recent changes made by the National Association of Insurance Commissioners.

Sen. Cal Larson (R-Fergus Falls) also gained final passage for two bills. S.F. 103 suspends a driver's license for people who drive off from gas stations without paying. Larson successfully offered an amendment to the bill specifying that the perpetrator's license is not taken away, but, instead, civil penalties are incurred. The bill, as amended, passed 64-1. S.F. 673, passed by a 63-0 vote, is a "good samaritan" bill, providing limited immunity from liability to people who help mentally ill persons take their medication.

A bill by Sen. John Hottinger (DFL-Mankato), S.F. 1441, was amended before gaining final passage. The bill provides a limited exemption on the gift-ban restriction so that officials attending a national or international meeting may receive items given to all attendees.

Sen. John Marty (DFL-Roseville) successfully offered an amendment to clarify that the exemption includes food or beverages provided as part of the meeting. The bill, as amended, passed by a vote of 61-4.

H.F. 1637, authored by Sen. Claire Robling (R-Prior Lake) repeals antiquated laws relating to counties' licensing of hawkers and peddlers. The bill passed 64-0. Sen. Steve Murphy (DFL-Red Wing) gained passage for H.F. 385, a bill that revises and consolidates laws on agricultural liens, by a vote of 66-0.

The final two bills passed were S.F. 1155, authored by Sen. Keith Langseth (DFL-Glyndon) and S.F. 834, authored by Sen. Douglas Johnson (DFL-Tower). The Langseth bill, which passed 64-0, extends to 45 feet the allowable length of motor homes or recreational vehicles and clarifies allowances for acceptable width. S.F. 834 changes the makeup of the Iron Range Resources and Rehabilitation Board to account for population decreases.

## Tuesday, April 24

### Noncontroversial bills processed

The Senate met in floor session Tues., Apr. 24, and processed bills considered to be noncontroversial. Thirty-eight bills were granted preliminary passage on General Orders and placed on the Senate Calendar.

Three bills carried by Sen. Sandra Pappas (DFL-St. Paul) were approved. S.F. 407 requires the Dept. of Administration to adopt a building code for the rehabilitation of historic structures. S.F. 508 allows local road authorities to provide financial assistance to railroads for the purpose of expanding railroad bridges. S.F. 1855 amends provisions related to charter schools. The bill requires charter schools to incorporate before entering into contracts, increases the amount a sponsor may charge for evaluation of a charter school's performance, and provides that teachers must be a majority of the board of directors only after the school has been in operation for three years.

S.F. 518, authored by Sen. Charles Wiger (DFL-North St. Paul), authorizes special license plates for veterans of the U.S. military action in Grenada. Members adopted an amendment, offered by Wiger, allowing veterans issued special plates to keep them for life.

S.F. 1490, carried by Sen. James Metzen (DFL-South St. Paul), allows for the transfer of interceptor facilities to put more control over sewers in the hands of local government.

Members approved four bills carried by Sen. Linda Higgins (DFL-Mpls.). S.F. 1429 increases to \$25,000 the penalty for serious violations of occupational safety and health (OSHA) law. The bill also simplifies provisions related to companies with fewer than 25 employees, providing that they are only required to have a safety committee if the occupation is particularly hazardous.

S.F. 1558 modifies the formula used to calculate the service availability charges (SACs) paid for new development in the Metro Area to ensure that the fees collected are enough to cover the cost of growth. Members adopted an amendment, offered by Metzen, allowing local units of government to retain any current SAC credit balances.

S.F. 1430 repeals a duplicative requirement at the Dept. of Health for reporting on alcohol and drug counselors.

The bill also allows the exchange of information between state agencies during investigations of counselors. Members adopted an amendment, offered by Sen. Ellen Anderson (DFL-St. Paul), clarifying that school counselors must be licensed to be considered drug and alcohol counselors under the bill.

S.F. 1344 prohibits employers from requiring employees to pay for background checks or required training. Members adopted two amendments, offered by Higgins, providing that school employees may be required to pay, and requiring that arrangements for payment of a commission may not be altered after the payee leaves employment.

S.F. 560, carried by Sen. Dallas Sams (DFL-Staples), provides that health peer review organizations can participate in an Internet-based system to share information for the purpose of analyzing trends related to particular procedures.

Three bills carried by Sen. Steve Kelley (DFL-Hopkins) were approved. S.F. 574 requires home care providers to provide at least ten days' notice before terminating service. S.F. 1437 raises the salary cap for employees of political subdivisions to 125 percent of the governor's salary, and also streamlines the procedure for waiver of the cap. H.F. 1151 modifies the penalty provisions for psychologists, raising the maximum penalty to \$7,500 and setting a time limit for how long after a violation a complaint can be brought against a practitioner.

S.F. 665, authored by Sen. Myron Orfield (DFL-Mpls.), makes technical changes to the Uniform Arbitration Act that have become necessary now that arbitration is a major part of the dispute resolution process.

Two bills carried by Sen. David Tomassoni (DFL-Chisholm) were approved. S.F. 912 allows two-way operation of snowmobiles on either side of a trunk highway right-of-way if the activity is determined not to endanger snowmobilers or drivers. S.F. 995 modifies licensure requirements for horse racing. Members amended the effective date for the provision.

S.F. 1295, carried by Sen. Claire Robling (R-Prior Lake), raises to \$450,000 the limit for loans to local governments for construction of city administrative buildings. Under the bill, the loan can also be used to include a child care facility in a city hall.

# Floor action

S.F. 427, authored by Sen. Kenric Scheevel (R-Preston), sets in statute a compromise over teacher leaves absence from public schools to teach at charter school. The bill allows the teacher on leave to teach at a charter school for a period of five years.

Members approved two bills carried by Sen. Grace Schwab (R-Albert Lea). S.F. 997 allows the city of Austin municipal utilities commission to enter into joint ventures with the electric co-op in Freeborn and Mower Counties. H.F. 1383 strikes a prohibition on the operation of a motorcycle with handlebars above the driver's shoulders.

H.F. 967, carried by Sen. Arlene Lesewski (R-Marshall), allows schools to sponsor potlucks if the school kitchen is not used. Members adopted an amendment, offered by Lesewski, allowing certain fraternal and patriotic organizations to do the same.

S.F. 1043, authored by Sen. Satveer Chaudhary (DFL-Fridley), is a technical bill relating to the Police Officer Standards and Training (POST) Board. Members adopted an amendment, offered by Chaudhary, reducing the requirements for reporting of all minority recruiting activities.

H.F. 525, carried by Sen. Deanna Wiener (DFL-Eagan), clarifies the definition of when public employees are eligible for per diem payments for service on boards and councils.

Two bills authored by Sen. David Knutson (R-Burnsville) were approved. S.F. 1507 modifies state procurement provisions regarding conflict of interest. Members adopted an amendment, offered by Knutson, providing that data submitted by a business in response to a request for a bid becomes public after one year. S.F. 1613 allows the Pollution Control Agency to expand a system used to expedite the permitting process to all areas of permitting.

S.F. 1104, carried by Sen. Dean Johnson (DFL-Willmar), is a housekeeping bill for the Dept. of Military Affairs. The bill clarifies eligibility and rank requirements and authorizes the disposal of unused armory sites.

H.F. 1681, carried by Sen. Julie Sabo (DFL-Mpls.), is a housekeeping bill for the Dept. of Employee Relations. The bill modifies provisions related to vacation time, public employee identification numbers and job classification.

S.F. 1528, authored by Sen. Roy Terwilliger (R-Edina), authorizes the city of Edina to impose restrictions on the use of recreational vehicles on property less than three acres in size.

S.F. 1464, authored by Sen. Becky Lourey (DFL-Kerrick), modifies provisions related to lead poisoning prevention in food and entertainment establishments. Lourey said the most controversial part of the bill, relating to well testing before the sale of property, has been deleted.

Two bills carried by Sen. Dan Stevens (R-Mora) were approved. H.F. 1522 allows small nursing homes to share an administrator, and allows the director of nursing to serve as an unlicensed administrator. S.F. 1894 modifies procedures at the Dept. of Administration relating to lost property, the Office of Citizenship and Volunteer Service, and the Office of Technology.

S.F. 1434, authored by Sen. Leonard Price (DFL-Woodbury), provides that an administrative penalty order, rather than a criminal action, may be issued for violation of rules involving waters. Members adopted an amendment, offered by Stevens, including wetlands in the provision.

H.F. 2107, carried by Sen. Thomas Neuville (R-Northfield), expands the grounds for student dismissal. The bill provides that a student may be dismissed from class for disrupting extracurricular activities or school personnel in the performance of duties. Members adopted an amendment, offered by Neuville, requiring that the school attempt to meet with a pupil and parent if the pupil been dismissed for ten days.

H.F. 1247, carried by Sen. Cal Larson (R-Fergus Falls), clarifies language concerning the acceptance of donations to veterans homes.

Two bills carried by Sen. Don Samuelson (DFL-Brainerd) were approved. S.F. 1772 prohibits billboard advertising on the C. Elmer Anderson Memorial Highway. S.F. 1968 requires the certification of crane operators.

S.F. 1475, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), expands to local government employees eligibility for the long-term care insurance program.

Finally, H.F. 953, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), provides that violations committed in other states can be used in a list of child abuse offenses.

## Wednesday, April 25

### Numerous minor bills passed

The Senate continued to process noncontroversial bills during floor session Weds., Apr. 25. Members granted preliminary passage to 17 more bills on General Orders, and also gave final passage to bills approved Tuesday.

Several bills related to crime prevention were approved. S.F. 1334, authored by Sen. Leo Foley (DFL-Coon Rapids), requires submission of DNA evidence for felony-level fifth degree sexual conduct, increases the penalty for fleeing a peace officer and increases the maximum sentence for aiding an offender. Sen. Don Betzold (DFL-Fridley) objected to a section of the bill allowing use of subsequent domestic abuse conduct as evidence in domestic abuse cases. He said changes in the rules of evidence should be dealt with by the judicial branch. An amendment, offered by Sen. Thomas Neuville (R-Northfield), to delete the relevant section was adopted.

Sen. Anthony "Tony" Kinkel (DFL-Park Rapids) carried H.F. 865. The bill allows indigent defendants to perform community service instead of paying a fine. S.F. 1712, authored by Sen. Grace Schwab (R-Albert Lea), is a housekeeping bill for the Dept. of Corrections. The bill clarifies the requirements for registration of predatory sex offenders and expands requirements for DNA testing.

Sen. Satveer Chaudhary (DFL-Fridley) carried H.F. 1261, the Dept. of Corrections (DOC) omnibus bill. The bill makes numerous small changes, including setting standards for juvenile facilities, requiring the maintenance of HIV testing records for offenders, striking a requirement that parole agents reside in their district, requiring mandatory assessments for repeat offenders, and defining as criminal any sexual conduct between an inmate and a Corrections Department employee. Members adopted two amendments. One, offered by Chaudhary, provides for a study of the effectiveness of electronic alcohol monitoring. The other, offered by Neuville, relaxes the reporting requirements at the DOC regarding recidivism and per diem cost.

Two bills were passed related to commerce. H.F. 108, carried by Betzold, resolves a controversy between auto dealers and manufacturers. The bill provides that dealers may not block



transfer of a franchise to a relative without a good reason to do so. H.F. 933, authored by Sen. Dallas Sams (DFL-Staples), updates equipment dealer statutes related to buy-back of stock when dealer agreements are terminated. The bill adds outdoor power equipment to statutes and requires that products be bought back at 95, rather than 85, percent of product cost. Members adopted an amendment, offered by Sen. Bob Kierlin (R-Winona), exempting from buy back requirements repair parts that have lost traceability required for quality assurance.

S.F. 1263, authored by Sen. Martha Robertson (R-Minnetonka), is an omnibus bill extending sunset dates for numerous advisory councils. Twenty-five councils are repealed and the sunset for the remaining councils is extended to Jun. 30, 2003. Members adopted an amendment, offered by Robertson, requiring all advisory groups to submit a report on the group's activities to legislative committees.

H.F. 873, carried by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids), is the annual tax forfeited lands bill. The bill provides for the public or private sale of parcels of land across the state. Members adopted an amendment, offered by Sen. David Tomassoni (DFL-Chisholm), requiring that three percent of the sale price be set aside in the state treasury.

H.F. 1188, authored by Sen. Jim Vickerman (DFL-Tracy), revises regulations on the disposal of ash remaining after a fire department practice burn. The ash is no longer classified as hazardous waste. Vickerman also carried H.F. 1748. The bill allows rural ambulance services to be granted variances in rules related to ambulance staffing requirements. Members adopted an amendment, offered by Sen. Jane Krentz (DFL-May Township), making communities in the seven-county Metro Area with a population less than 1,000 eligible for the variance.

Two bills related to workers' compensation. H.F. 1219, carried by Sen. Ann Rest (DFL-New Hope), provides that the board of directors of the state fund mutual insurance company be elected. The fund is no longer relying on a startup loan from the state, Rest said, so there is no reason for the governor to appoint the board of directors. S.F. 2046, authored by Sen. Arlene Lesewski (R-Marshall), requires interest earned on the special compensation fund to be deposited in the fund. It also provides workers' compensation to

bomb disposal units that work out of state. Lesewski also carried S.F. 1932, a technical bill for the Dept. of Economic Security. The bill updates statutes to conform with current state and federal law.

S.F. 2197, authored by Sen. Dan Stevens (R-Mora), requires the Dept. of Human Services to identify and address nonfinancial barriers to increased provider enrollment in the state health care program. The bill requires a report by Feb. 15, 2002.

H.F. 1192, carried by Sen. Leo Foley (DFL-Coon Rapids), moves the deadline for temporary teaching licensing applications one month earlier. The procedure in the bill conforms better with schools' schedules for filling teacher vacancies, Foley said.

S.F. 923, authored by Sen. Pat Pariseau (R-Farmington), modifies the licensure requirements for foreign-born social workers. People of color have difficulty passing the licensure test, Pariseau said, so the bill allows for an extension of temporary licenses while a national study of the test is carried out.

Finally, S.F. 2006, authored by Schwab, authorizes the Dept. of Public Safety to provide a vehicle accident record to the public on request. Members adopted an amendment, offered by Schwab, clarifying that the data is to focus on vehicles, not individuals.

After granting preliminary passage to the bills outlined above, members waived the one-day lie-over requirement for the 38 noncontroversial bills approved on Tuesday. All of the bills were then granted final passage with unanimous or near-unanimous votes.

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## Tour the Capitol on CD-ROM

Senate Media Services has announced the release of a CD-ROM tour of the Capitol, called "A Building for All..."

Go to the Rotunda, the Governor's Reception Room, the Senate Chamber, the House of Representatives Chamber, the Supreme Court Chamber, and the Quadriga at your own pace and in any order you like. Travel behind the scenes to quarters that are not normally opened to the public like the House and Senate Retiring Rooms, the Supreme Court Justices' Consultation Room, or the Governor's Private Office.

A special section called "Other Neat Places" takes you to more obscure areas

that you may not see on an in-person visit to the building like the inner dome, the underground tunnel system, or the newly restored "Rathskeller" cafeteria. When you have finished your multi-media tour, test yourself on what you have learned by taking the short quiz.

Brilliant digital photography captures the artistic beauty of the building and the professional voice-over provides background information and historical perspective on the paintings, architecture, sculpture, and interior design that make up Minnesota's State Capitol building.

"A Building for All..." can be purchased for \$5 per CD (both PC and Mac versions on one disc) or borrowed at no cost by contacting Senate Media Services at (651) 296-0264.

## The Senate on the Web

The Minnesota Legislature's Web site has been updated. A joint effort of the Senate, House of Representatives, Legislative Reference Library, Legislative Commissions, and the Office of the Revisor of Statutes, the site offers easier access to a variety of legislative and government information.

The Legislature's page (<http://www.leg.state.mn.us>) includes links to other government agencies and departments, as well as copies of Minnesota Statutes, Session Laws, and Rules. The page also allows one to track legislation and get general information about the legislative process.

The site includes a district finder service for those who need to contact their House member or Senator. Other information—about visiting the Capitol, state history and symbols, and employment opportunities with the Legislature—is also available.

Information about joint legislative departments, the various legislative commissions, and task forces is available at <http://www.commissions.leg.state.mn.us>.

The Senate Web site (<http://www.senate.leg.state.mn.us>) has information about members, committees and Senate staff. The page also has daily and weekly schedules for the Senate, as well as copies of the Journal and Senate Briefly. The status of legislation and confirmation of executive appointments by the Senate is also available.

Both the Senate and House Web sites offer streaming video access to floor and selected committees.

# Floor update

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## Friday, April 20

### Bills gaining concurrence and repassage

- S.F. 249-Ring: Repeals obsolete health and human services rules. 60-0
- S.F. 1419-Scheid: Regulates notice of claims relating to payment bonds. 58-0

### Bills granted final passage on Special Orders

- H.F. 274-Marty: Restricts the sale of mercury thermometers. 59-0
- H.F. 550-Hottinger: Provides a limited gift exemption for local officials attendance at a national or international conference or event. 59-0
- S.F. 1449-Hottinger: Modifies provisions relating to community based programing. 56-4
- H.F. 323-Hottinger: Extends an expiration date relating to motor vehicle fuel franchises. 57-0
- S.F. 1965-Anderson: Repeals obsolete and redundant Department of Trade and Economic Development programs and duties. 57-0
- H.F. 486-Lesewski: Requires disclaimers in political newspaper advertisements to be legible. 56-0
- S.F. 2022-Lesewski: Clarifies crediting of support payments and modifies implementation of enforcement remedies to accommodate timing of support payments. 55-0
- H.F. 1160-Sams: Changes the frequency with which physician assistant delegated prescribing activities must be reviewed. 56-0
- S.F. 511-Sams: Authorizes the state agricultural society establishment of a nonprofit corporation and changes membership provisions. 56-0
- H.F. 239-Neuville: Clarifies the law relating to servitudes created by a common owner of multiple pieces of property, provides for filing of an amended application to register land, and provides for issuance of certificates of title for common elements in a condominium. 57-0
- S.F. 750-Neuville: Requires evaluation of programs and services for children with attention deficit disorder or attention deficit hyperactivity disorder and determines the number of Minnesota children with ADD or ADHD currently taking sympathomimetic medications. 58-0
- S.F. 333-Kelley, S.P.: Authorizing cease and desist orders relating to veterinary medicine. 59-0
- S.F. 1264-Scheid: Regulates income loss benefits to senior citizens under no-fault insurance. 56-0

### Bills granted final passage on the Consent Calendar

- S.F. 1552-Chaudhary: Defines the level of negligence required for the crime of causing negligent fires. 56-0
- H.F. 1260-Kiscaden: Neutralizes certain family law terminology. 57-0
- H.F. 1889-Ranum: Provides for the orderly revocation of delinquent foreign corporations. 58-0
- H.F. 1391-Lessard: A resolution urging the United States Postal Service to create a postage stamp reproducing Eric Enstrom's photograph "Grace." 56-0

## Monday, April 23

### Bills granted final passage on Special Orders

- S.F. 1441-Hottinger: Provides a limited exemption for local government officials attending a national or international conference or event. 61-4
- H.F. 285-Murphy: Regulates agricultural liens, revises and consolidates crop liens and agricultural liens on livestock. 66-0
- H.F. 1637-Robling: Repeals provisions requiring licensing of hawkers and peddlers by counties. 64-0
- S.F. 1397-Kiscaden: Changes requirements to background studies for licensed programs. 66-0
- S.F. 1155-Langseth: Modifies width limitations on recreational equipment. 64-0
- S.F. 1964-Oliver: Regulates the life and health guaranty association by modifying coverages, assessments, rights and duties. 64-0
- S.F. 103-Larson: Permits a court to order suspension of a driver's license for a period of up to one year if the defendant was convicted or adjudicates delinquent for theft of gasoline. 64-1
- S.F. 673-Larson: Limits liability for administering medication to certain mentally ill persons. 63-0
- S.F. 564-Ring: Provides for access to employee assistance records and requires the records to be kept separate from personnel records. 63-0
- S.F. 1392-Ring: Creates the Northern Technology Initiative, Inc. for economic development purposes. 58-2
- S.F. 1407-Ring: Modifies provisions in health care access programs.
- S.F. 834-Johnson, Douglas: Regulates Iron Range Resource and Rehabilitation Board membership requirements. 62-0
- S.F. 1826-Oliver: Provides qualification and procedures for the licensing of insurance producers, prescribes criminal penalties and makes conforming changes. 64-0

## Tuesday, April 24

### Bills granted preliminary passage on General Orders

- S.F. 407-Pappas: Directs the Dept. of Administration to adopt a building code for the rehabilitation of historic structures.
  - S.F. 560-Sams: Allows health review organizations to participate in Internet-based information sharing systems.
  - S.F. 508-Pappas: Allows local road authorities to provide financial assistance to expand railroad bridges.
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**S.F. 574-Kelley, S.P.:** Requires home care providers to provide at least ten day's notice of service termination.

**S.F. 1344-Higgins:** Prohibits employers from requiring employees or job applicants to pay for background checks or training.

**S.F. 518-Wiger:** Authorizes special license plates for veterans of the US military action in Grenada, allows veterans to keep license plates for the life of the license, and exempts veterans from the special motor vehicle license plate design that identifies eligibility groups using decal stickers.

**S.F. 912-Tomassoni:** Modifies provisions governing the use of highway right-of-way by snowmobiles.

**H.F. 995-Tomassoni:** Modifies license applicant requirement for positions relating to horse racing and modifies medication requirements.

**S.F. 1429-Higgins:** Provides an increase in penalties for serious violations of OSHA laws and modifies requirements for safety committees.

**S.F. 665-Orfield:** Provides for arbitration of disputes and adopts the Uniform Arbitration Act.

**S.F. 1295-Robling:** Updates the United States Department of Agriculture financing program for cities, counties, and towns and expands the uses to include child care facilities and city halls.

**S.F. 1490-Metzen:** Provides for the transfer or disposal of interceptor facilities.

**H.F. 1383-Schwab:** Repeal restrictions on handlebar height for motorcycles and motorized bicycles.

**H.F. 1522-Stevens:** Modifies requirements for full-time nursing home administrators.

**S.F. 1855-Pappas:** Amends charter schools provisions by obligating charter school operators to incorporate before entering into contracts, making teachers a majority of the members of the charter school board of directors by the end of a school's third year, increasing the amount available to a sponsor to evaluate the performance of a charter school in its first three years of operation and establishing criteria the commissioner must use to approve or disapprove a charter school's application for building lease aid.

**S.F. 427-Scheevel:** Limits teacher leave to teach in charter schools to five years.

**H.F. 967-Lesewski:** Permits schools to sponsor potlucks and permits fraternal or patriotic organizations to sell home-prepared food at events.

**S.F. 1558-Higgins:** Modifies the cost allocation system for the metropolitan disposal system.

**S.F. 1043-Chaudhary:** Prescribes grounds for peace officer license revocation, suspension, or denial and removes the requirement that the Peace Officer Standards and Training Board to report on all the activities of the minority recruiter.

**S.F. 1507-Knutson:** Modifies state procurement provisions.

**S.F. 1437-Kelley, S.P.:** Modifies the compensation limit for political subdivision employees.

**H.F. 1151-Kelley, S.P.:** Modifies penalty provisions for psychologists.

**H.F. 525-Wiener:** Revises conditions under which public employees receive daily payments for service on boards and councils and requires groups to adopt standards for daily payments.

**S.F. 1104-Johnson, Dean:** Clarifies certain national guard eligibility and rank designation requirements, authorizes disposal of certain armory sites and authorizes certain armory payments.

**S.F. 1613-Knutson:** Expands the Pollution Control Agency's Authority to expedite permits.

**S.F. 1528-Terwilliger:** Authorizes the city of Edina to impose additional restrictions on the use of recreational motor vehicles on certain property.

**S.F. 1464-Lourey:** Modifies provisions for lead poisoning prevention, provides for certain alternative compliance methods for food, beverage, and lodging establishment inspections and repeals obsolete laws relating to hotel inspections.

**S.F. 1434-Price:** Provides for administrative penalty orders to enforce water permit programs, modifies water appropriation permit provisions, establishes fees and provides civil penalties.

**S.F. 1681-Sabo:** Makes technical and housekeeping changes relating to state employment.

**S.F. 1894-Stevens:** Modifies Dept. of Administration procedures relating to lost property, the Office of Citizenship and Volunteer Service and the Office of Technology.

**H.F. 2107-Neuville:** Specifies student conduct as grounds for dismissal or removal from class.

**S.F. 1430-Higgins:** Eliminates the commissioner's reporting requirement for alcohol and drug counselors and provides for exchange of information for investigations of alcohol and drug counselors.

**H.F. 1247-Larson:** Provides for the Veterans Homes Board to administer planned giving donations.

**S.F. 997-Schwab:** Authorizes the city of Austin municipal utilities commission to enter into joint ventures with the Freeborn-Mower Counties Cooperative Electrical Power Association.

**S.F. 1772-Samuelson:** Restricts outdoor advertising on the C. Elmer Anderson Memorial Highway.

**S.F. 1968-Samuelson:** Requires the certification and regulation of crane operators.

**S.F. 1475-Pogemiller:** Expands eligibility for the public employees group long-term care insurance program.

**H.F. 953-Kinkel:** Adds violations from other states to the list of offenses that constitute child abuse.

## Wednesday, April 25

### Bills granted preliminary passage on General Orders

**H.F. 1219-Rest:** Removes certain state involvement with the state fund mutual insurance company.

**S.F. 1263-Robertson:** Changes the expiration dates of certain advisory councils, committees and other multi member entities.

**H.F. 873-Kinkel:** Allows private easements across tax-forfeited land, changes certain exchange requirements, modifies county lease terms for tax-forfeited land and authorizes the public and private sales and conveyances of tax-forfeited lands in Aitkin, Cook, Hubbard, Lake, Meeker, Ramsey, St. Louis and Washington Counties.

**H.F. 865-Kinkel:** Provides for community service in lieu of criminal fines in certain instances.

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# Floor update

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**S.F. 1932-Lesewski:** Modifies and repeals various statutory provisions in the area of economic security.

**H.F. 1188-Vickerman:** Regulates ash disposal from fire training exercises.

**H.F. 1748-Vickerman:** Authorizes the Emergency Medical Services Regulatory Board to grant temporary variances from staffing requirements for basic life support ambulances.

**S.F. 2046-Lesewski:** Makes technical changes relating to workers' compensation, requires interest earned on revenue collected by the special compensation fund to be deposited into the fund, extends a pilot program and provides for payment of various penalties to the commissioner of labor and industry.

**H.F. 779-Betzold:** Modifies provisions dealing with motor vehicle dealer franchise transfers.

**S.F. 2197-Stevens:** Requires the commissioner of human services to identify and address nonfinancial barriers to provider participation in state health care programs.

**S.F. 1334-Foley:** Requires submission of DNA evidence by offenders convicted of felony-level fifth degree criminal sexual conduct, clarifies and increases the penalty for fleeing a peace officer when the commission of the crime results in death, and expands the crime of aiding an offender.

**H.F. 1192-Foley:** Permits applicants for a temporary limited teaching license or personnel variance to submit their application by July 1 in any year and directs the Board of Teaching to amend its rules to conform with the July 1 date.

**S.F. 923-Pariseau:** Temporarily exempts certain persons who are refugees or immigrants to the U.S. and for whom English is a second language from the examination requirement for social work licensure and for obtaining a temporary permit to practice social work.

**S.F. 1712-Schwab:** Clarifies provisions of the sex offender registration law, registration law for other offenders and law requiring submission of a biological specimen for DNA testing, provides criminal penalties and requires addition offenders to submit a biological specimen for DNA.

**H.F. 1261-Chaudhary:** Dept. of Corrections omnibus bill. Continues a task force on agency purchases from correctional industries, requires an annual report, provides certification standards for juvenile facilities, requires standards for chemical dependency treatment programs and requires the commission to establish a health care peer review committee.

**H.F. 933-Sams:** Provides buyback requirements related to the sale of farm implements and outdoor power equipment.

**S.F. 2006-Schwab:** Authorizes certain accident data to be made public.

## Bills granted final passage on the Senate Calendar

**S.F. 407-Pappas:** Directs the Dept. of Administration to adopt a building code for the rehabilitation of historic structures. 64-0

**S.F. 560-Sams:** Allows health review organizations to participate in Internet-based information sharing systems. 63-0

**S.F. 508-Pappas:** Allows local road authorities to provide financial assistance to expand railroad bridges. 63-0

**S.F. 574-Kelley, S.P.:** Requires home care providers to provide at least ten day's notice of service termination. 61-0

**S.F. 1344-Higgins:** Prohibits employers from requiring employees or job applicants to pay for background checks or training. 64-0

**S.F. 518-Wiger:** Authorizes special license plates for veterans of the United States military action in Grenada, allows veterans to keep license plates for the life of the license, and exempts veterans from the special motor vehicle license plate design that identifies eligibility groups using decal stickers. 63-0

**S.F. 912-Tomassoni:** Modifies provisions governing the use of highway right-of-way by snowmobiles. 60-2

**H.F. 995-Tomassoni:** Modifies license applicant requirement for positions relating to horse racing and modifies medication requirements. 58-5

**S.F. 1429-Higgins:** Provides an increase in penalties for serious violations of OSHA laws and modifies requirements for safety committees. 62-0

**S.F. 665-Orfield:** Provides for arbitration of disputes and adopts the Uniform Arbitration Act. 64-0

**S.F. 1295-Robling:** Updates the United States Department of Agriculture financing program for cities, counties, and towns and expands the uses to include child care facilities and city halls. 64-0

**S.F. 1490-Metzen:** Provides for the transfer or disposal of interceptor facilities. 64-0

**H.F. 1383-Schwab:** Repeal restrictions on handlebar height for motorcycles and motorized bicycles. 59-4

**H.F. 1522-Stevens:** Modifies requirements for full-time nursing home administrators. 63-0

**S.F. 1855-Pappas:** Amends charter schools provisions by obligating charter school operators to incorporate before entering into contracts, making teachers a majority of the members of the charter school board of directors by the end of a school's third year, increasing the amount available to a sponsor to evaluate the performance of a charter school in its first three years of operation and establishing criteria the commissioner must use to approve or disapprove a charter school's application for building lease aid. 64-0

**S.F. 427-Scheevel:** Limits teacher leave to teach in charter schools to five years. 64-0

**H.F. 967-Lesewski:** Permits schools to sponsor potluck events and permits fraternal or patriotic organizations to sell home-prepared food at certain events. 63-0

**S.F. 1558-Higgins:** Modifies the cost allocation system for the metropolitan disposal system. 65-0

**S.F. 1043-Chaudhary:** Prescribes grounds for peace officer license revocation, suspension, or denial and removes the requirement that the Peace Officer Standards and Training Board to report on all the activities of the minority recruiter. 65-0

**S.F. 1507-Knutson:** Modifies state procurement provisions. 65-0

**S.F. 1437-Kelley, S.P.:** Modifies the compensation limit for political subdivision employees. 59-6

**H.F. 1151-Kelley, S.P.:** Modifies penalty provisions for psychologists. 64-0

**H.F. 525-Wiener:** Revises conditions under which public employees receive daily payments for service on boards and councils and requires groups to adopt standards for daily payments. 66-0

**S.F. 1104-Johnson, Dean:** Clarifies certain national guard eligibility and rank designation requirements, authorizes disposal of certain armory sites and authorizes certain armory payments. 66-0

**S.F. 1613-Knutson:** Expands the Pollution Control Agency's Authority to expedite permits. 63-0

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**S.F. 1528-Terwilliger:** Authorizes the city of Edina to impose additional restrictions on the use of recreational use of recreational motor vehicles on certain property. 59-7

**S.F. 1464-Lourey:** Modifies provisions for lead poisoning prevention, provides for certain alternative compliance methods for food, beverage, and lodging establishment inspections and repeals obsolete laws relating to hotel inspections. 66-0

**S.F. 1434-Price:** Provides for administrative penalty orders to enforce water permit programs, modifies water appropriation permit provisions, establishes fees and provides civil penalties. 65-0

**S.F. 1681-Sabo:** Makes technical and housekeeping changes relating to state employment. 66-0

**S.F. 1894-Stevens:** Modifies Dept. of Administration procedures relating to lost property, the Office of Citizenship and Volunteer Service and the Office of Technology. 65-0

**H.F. 2107-Neuville:** Specifies student conduct as grounds for dismissal or removal from class. 63-2

**S.F. 1430-Higgins:** Eliminates the commissioner's reporting requirement for alcohol and drug counselors and provides for exchange of information for investigations of alcohol and drug counselors. 65-1

**H.F. 1247-Larson:** Provides for the Veterans Homes Board to administer planned giving donations. 65-0

**S.F. 997-Schwab:** Authorizes the city of Austin municipal utilities commission to enter into joint ventures with the Freeborn-Mower Counties Cooperative Electrical Power Association. 66-0

**S.F. 1772-Samuels:** Restricts outdoor advertising on the C. Elmer Anderson Memorial Highway. 60-5

**S.F. 1968-Samuels:** Requires the certification and regulation of crane operators. 66-0

**S.F. 1475-Pogemiller:** Expands eligibility for the public employees group long-term care insurance program. 57-8

**H.F. 953-Kinkel:** Adds violations from other states to the list of offenses that constitute child abuse. 66-0

## Thursday, April 26

### Bills granted final passage on the Senate Calendar

**H.F. 1219-Rest:** Removes certain state involvement with the state fund mutual insurance company. 63-0.

**S.F. 1263-Robertson:** Changes the expiration dates of certain advisory councils, committees and other multi member entities. 63-0.

**H.F. 873-Kinkel:** Allows private easements across tax-forfeited land, changes certain exchange requirements, modifies county lease terms for tax-forfeited land and authorizes the public and private sales and conveyances of tax-forfeited lands in Aitkin, Cook, Hubbard, Lake, Meeker, Ramsey, St. Louis and Washington Counties. 57-0.

**H.F. 865-Kinkel:** Provides for community service in lieu of criminal fines in certain instances. 60-0.

**S.F. 1932-Lesewski:** Modifies and repeals various statutory provisions in the area of economic security. 60-0.

**H.F. 1188-Vickerman:** Regulates ash disposal from fire training exercises. 60-0.

**H.F. 1748-Vickerman:** Authorizes the Emergency Medical Services Regulatory Board to grant temporary variances from staffing requirements for basic life support ambulances. 58-0.

**S.F. 2046-Lesewski:** Makes technical changes relating to workers' compensation, requires interest earned on revenue collected by the special compensation fund to be deposited into the fund, extends a pilot program and provides for payment of various penalties to the commissioner of labor and industry. 62-0.

**H.F. 779-Betzold:** Modifies provisions dealing with motor vehicle dealer franchise transfers. 63-0.

**S.F. 2197-Stevens:** Requires the commissioner of human services to identify and address nonfinancial barriers to provider participation in state health care programs. 62-0.

**S.F. 1334-Foley:** Requires submission of DNA evidence by offenders convicted of felony-level fifth degree criminal sexual conduct, clarifies and increases the penalty for fleeing a peace officer when the commission of the crime results in death, and expands the crime of aiding an offender. 62-0.

**H.F. 1192-Foley:** Permits applicants for a temporary limited teaching license or personnel variance to submit their application by July 1 in any year and directs the Board of Teaching to amend its rules to conform with the July 1 date. 61-0.

**S.F. 923-Pariseau:** Temporarily exempts certain persons who are refugees or immigrants to the U.S. and for whom English is a second language from the examination requirement for social work licensure and for obtaining a temporary permit to practice social work. 63-0.

**S.F. 1712-Schwab:** Clarifies provisions of the sex offender registration law, registration law for other offenders and law requiring submission of a biological specimen for DNA testing, provides criminal penalties and requires addition offenders to submit a biological specimen for DNA. 63-0.

**H.F. 933-Sams:** Provides buyback requirements related to the sale of farm implements and outdoor power equipment. 61-0.

**S.F. 2006-Schwab:** Authorizes certain accident data to be made public. 61-0.

### Bills granted final passage under suspension of rules

**S.F. 2351-Price:** Omnibus environment, natural resources and agriculture appropriations. 47-13.

**S.F. 2343-Wiener:** Omnibus higher education appropriations. 46-18.

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# Committee roster

## Agriculture, General Legislation and Veterans Affairs Committee

**Chair:** Murphy      **Vice Chair:** Ring  
**Office:** 306 Capitol      **Phone:** (651) 296-7405  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 12

Berg	Fischbach	Lourey	Vickerman
Dille	Johnson, D.E.	Sams	
Fowler	Lesewski	Scheevel	

## Capital Investment Committee

**Chair:** Langseth      **Vice Chair:** Wiger  
**Office:** 122 Capitol      **Phone:** (651) 296-9612  
**Meets:** Tues., Thurs., 1 - 3:45 p.m., 123 Capitol  
**Members:** 13

Bachmann	Dille	Kiscaden	Samuelson
Berglin	Johnson, Douglas	Larson	Wiener
Cohen	Kierlin	Price	

## Commerce Committee

**Chair:** Solon      **Vice Chair:** Scheid  
**Office:** 303 Capitol      **Phone:** (651) 296-5776  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 112 Capitol  
**Members:** 14

Belanger	Larson	Metzen	Reiter
Hottinger	Lessard	Oliver	Samuelson
Kierlin	Marty	Pappas	Wiener

## Crime Prevention Committee

**Chair:** Ranum      **Vice Chair:** Foley  
**Office:** 120 Capitol      **Phone:** (651) 296-4842  
**Meets:** Weds., Fri., 9 a.m. - 12 noon, 15 Capitol  
**Members:** 12

Berglin	Kelly, R.C.	Limmer	Schwab
Betzold	Kleis	Olson	
Chaudhary	Krentz	Neuville	

## Education Committee

**Chair:** Pappas      **Vice Chair:** Lourey  
**Office:** 120 Capitol      **Phone:** (651) 296-5538  
**Meets:** Mon., Weds., 1 - 3:45 p.m., 123 Capitol  
**Members:** 35

Bachmann	Knutson	Pogemiller	Scheid
Chaudhary	Krentz	Price	Schwab
Cohen	Langseth	Ranum	Solon
Fowler	Larson	Rest	Stumpf
Johnson, Debbie	Lesewski	Robertson	Terwilliger
Kelley, S.P.	Limmer	Robling	Tomassoni
Kierlin	Murphy	Sabo	Wiener
Kinkel	Olson	Scheevel	Wiger
Kleis			

## E-12 Education Budget Division

**Chair:** Stumpf      **Vice Chair:** Rest  
**Office:** G-24 Capitol      **Phone:** (651) 296-8660  
**Meets:** Mon., Weds., 1 - 3: 45 p.m. Room 112 Capitol  
**Members:** 18

Bachmann	Knutson	Pappas	Scheevel
Chaudhary	Langseth	Ranum	Schwab
Johnson, Debbie	Lourey	Robertson	Tomassoni
Krentz	Olson	Sabo	Wiger

## Higher Education Budget Division

**Chair:** Wiener      **Vice Chair:** Kinkel  
**Office:** 303 Capitol      **Phone:** (651) 296-8073  
**Meets:** Mon., Weds., 1 - 3:45 p.m. Room 107 Capitol  
**Members:** 17

Cohen	Kleis	Murphy	Scheid
Fowler	Larson	Pogemiller	Solon
Kelley, S.P.	Lesewski	Price	Terwilliger
Kierlin	Limmer	Robling	

## Environment and Natural Resources Committee

**Chair:** Krentz      **Vice Chair:** Tomassoni  
**Office:** 111 Capitol      **Phone:** (651) 296-1113  
**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 107 Capitol  
**Members:** 18

Anderson	Higgins	Olson	Ring
Berg	Kinkel	Pariseau	Stevens
Dille	Knutson	Pogemiller	Stumpf
Frederickson	Lessard	Price	Vickerman

## Finance Committee

**Chair:** Johnson, Douglas      **Vice Chair:** Johnson, D.H.  
**Office:** 205 Capitol      **Phone:** (651) 296-4839  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 123 Capitol  
**Members:** 37

Anderson	Johnson, D.E.	Metzen	Sabo
Berg	Kelly, R.C.	Neuville	Sams
Berglin	Kiscaden	Ourada	Solon
Chaudhary	Kleis	Pariseau	Stevens
Cohen	Knutson	Price	Terwilliger
Day	Krentz	Ranum	Vickerman
Dille	Langseth	Ring	Wiener
Frederickson	Larson	Robertson	Wiger
Higgins	Lourey	Robling	

## Environment and Agriculture Budget Division

**Chair:** Price  
**Office:** 235 Capitol      **Phone:** (651) 296-4167  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 318 Capitol  
**Members:** 10

Berg	Higgins	Pariseau
Dille	Johnson, Douglas	Ring
Frederickson	Krentz	Wiger

## Health, Human Services and Corrections Budget Division

**Chair:** Berglin  
**Office:** 309 Capitol      **Phone:** (651) 296-4151  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 123 Capitol  
**Members:** 8

Kiscaden	Ranum	Wiener
Lourey	Sams	
Neuville	Stevens	

## State Government, Economic Development and the Judiciary Budget Division

**Chair:** Cohen  
**Office:** 317 Capitol      **Phone:** (651) 296-5308  
**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. 107 Capitol  
**Members:** 10

Anderson	Knutson	Robertson
Johnson, D.H.	Larson	Solon
Kleis	Metzen	Vickerman

**Transportation and Public Safety Budget Division****Chair:** Johnson, D.E.**Office:** 124 Capitol **Phone:** (651) 296-1738**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 112 Capitol**Members:** 9

Chaudhary	Kelly, R.C.	Ourada	Sabo
Day	Langseth	Robling	Terwilliger

**Health and Family Security Committee****Chair:** Sams**Vice Chair:** Higgins**Office:** 328 Capitol **Phone:** (651) 296-1323**Meets:** Mon., Weds., 1 - 3:45 p.m., 15 Capitol**Members:** 11

Berglin	Hottinger	Pariseau
Fischbach	Kiscaden	Ring
Foley	Lourey	Stevens

**Jobs, Housing and Community Development Committee****Chair:** Anderson**Vice Chair:** Sabo**Office:** 120 Capitol **Phone:** (651) 296-1767**Meets:** Weds., Fri., 9 a.m. - 12 noon, 123 Capitol**Members:** 14

Bachmann	Johnson, D.H.	Knutson	Robertson
Frederickson	Johnson, Debbie	Moe, R.D.	Terwilliger
Higgins	Johnson, Douglas	Orfield	Wiger

**Judiciary Committee****Chair:** Marty**Vice Chair:** Foley**Office:** 325 Capitol **Phone:** (651) 296-5712**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 15 Capitol**Members:** 10

Betzold	Fischbach	Limmer	Orfield
Cohen	Kiscaden	Neuville	Ranum

**Rules and Administration Committee****Chair:** Moe, R.D.**Vice Chair:** Hottinger**Office:** 208 Capitol **Phone:** 296-2577**Meets:** On call (Mon., 8 a.m. - 12 noon; Fri., 1 - 3:45 p.m.), 107 Capitol**Members:** 23

Belanger	Johnson, D.E.	Olson	Solon
Berg	Johnson, Douglas	Pappas	Stumpf
Berglin	Langseth	Pariseau	Vickerman
Cohen	Larson	Pogemiller	
Day	Marty	Ranum	
Frederickson	Metzen	Samuelson	

**State and Local Government Operations Committee****Chair:** Vickerman**Vice Chair:** Orfield**Office:** 226 Capitol **Phone:** (651) 296-4150**Meets:** Tues., Thurs., 1 - 3:45 p.m., 107 Capitol**Members:** 13

Betzold	Pogemiller	Robertson	Stevens
Day	Reiter	Robling	Stumpf
Fowler	Rest	Solon	

**Tax Committee****Chair:** Pogemiller**Vice Chair:** Fowler**Office:** 235 Capitol**Phone:** (651) 296-7809**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m., 15 Capitol**Members:** 30

Bachmann	Kelley, S.P.	Moe, R.D.	Rest
Belanger	Kierlin	Murphy	Samuelson
Betzold	Kinkel	Oliver	Scheevel
Fischbach	Lesewski	Olson	Scheid
Foley	Lessard	Orfield	Schwab
Hottinger	Limmer	Pappas	Stumpf
Johnson, Debbie	Marty	Reiter	Tomassoni

**Income and Sales Tax Budget Division****Chair:** Betzold**Office:** G-9 Capitol**Phone:** (651) 296-4147**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 125 Capitol**Members:** 13

Fowler	Kinkel	Marty	Reiter
Fischbach	Lessard	Murphy	Schwab
Kierlin	Limmer	Orfield	Tomassoni

**Property Tax Budget Division****Chair:** Samuelson**Office:** 120 Capitol**Phone:** (651) 296-4875**Meets:** Mon., Tues., Weds., Thurs., 4 - 7 p.m. Room 15 Capitol**Members:** 17

Bachmann	Johnson, Debbie	Oliver	Rest
Belanger	Kelley, S.P.	Olson	Scheevel
Foley	Lesewski	Pappas	Scheid
Hottinger	Moe, R.D.	Pogemiller	Stumpf

**Telecommunications, Energy and Utilities Committee****Chair:** Metzen**Vice Chair:** Kelley, S.P.**Office:** 322 Capitol**Phone:** (651) 296-4175**Meets:** Tues., Thurs., 1 - 3:45 p.m., 15 Capitol**Members:** 16

Anderson	Kinkel	Oliver	Scheevel
Frederickson	Lesewski	Ourada	Tomassoni
Johnson, D.H.	Lessard	Pariseau	
Kelly, R.C.	Marty	Sams	

**Transportation Committee****Chair:** Kelly, R.C.**Vice Chair:** Chaudhary**Office:** 323 Capitol**Phone:** (651) 296-5285**Meets:** Tues., Thurs., 9 a.m. - 12 noon, 112 Capitol**Members:** 18

Belanger	Johnson, Debbie	Ourada	Sabo
Day	Langseth	Pappas	Samuelson
Johnson, D.H.	Metzen	Reiter	Schwab
Johnson, D.E.	Murphy	Robling	Terwilliger

## Monday, April 30

The Senate will be in session at 9 a.m.

### Income and Sales Tax Budget Division

Chair: Sen. Don Betzold

2 p.m. or 1 hour after session Room 318  
Capitol

**Agenda:** Bill priorities

### Tax Committee

Chair: Sen. Lawrence Pogemiller

After division Room 15 Capitol

**Agenda:** To be announced.

## Tuesday, May 1

### Legislative Audit Commission Subcommittee on Topic Selection

Chair: Sen. Ann Rest

8 a.m. Room 229 Capitol

**Agenda:** Working session to review results of legislative survey and select topics to be presented for consideration by full Legislative Audit Commission.

The Senate will be in session at 9 a.m.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

1 p.m. or 15 minutes after session Room 15  
Capitol

**Agenda:** To be announced.

### Joint House/Senate Subcommittee on Claims

Chairs: Sen. Randy Kelly and Rep. Bill Haas

3 p.m. Room 118 Capitol

**Agenda:** Claim against the Dept. of Natural Resources. Claim against the Dept. of Public Safety.

## Wednesday, May 2

The Senate will be in session at 9 a.m.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

1 p.m. or 15 minutes after session Room 15  
Capitol

**Agenda:** To be announced.

## Thursday, May 3

The Senate will be in session at 9 a.m.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

1 p.m. or 15 minutes after session Room 15  
Capitol

**Agenda:** To be announced.

## Friday, May 4

The Senate will be in session at 9 a.m.

### Tax Committee

Chair: Sen. Lawrence Pogemiller

1 p.m. or 15 minutes after session Room 15  
Capitol

**Agenda:** To be announced.

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# Senate Briefly

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*The intricate architectural detail of the Senate Chamber provides a visual framework for legislative activity.*

*Photo by David J. Oakes*



May 4, 2001

# Senate Highlights

## Pistol bill resurfaces, stalls

A brief meeting of the Finance Committee was held Weds., May 2. Several bills were on the agenda, but the meeting was cut short when the presence of a quorum was questioned.

The one bill the committee acted on was a civil commitment bill, S.F. 179, authored by Sen. Don Betzold (DFL-Fridley). The bill extends the allowable length of hospitalization for early intervention and amends provisions related to neuroleptic medication. Sen. Randy Kelly (DFL-St. Paul) said not enough is being done with commitment modification to protect the public. Betzold said more reform is included in separate pieces of legislation.

The quorum question arose during discussion of S.F. 1481, authored by Sen. Bob Lessard (IND-Int'l. Falls). The bill grants funding to support amateur shooting sports through a non-profit center in Grand Rapids. Sen. Dallas Sams (DFL-Staples) offered an amendment that removes the appropriation from the bill and specifies a number of provisions concerning the carrying of pistols for personal protection. The Sams amendment specifies that a permit to carry a pistol must be granted if the applicant is 21 years old, has received training, is not under investigation for

gang activity and is not already prohibited from possessing firearms. The amendment also provides for the revocation of a permit if a weapon is carried while under the influence of a controlled substance. Provisions related to the application process, renewal or revocation, and the training required for applicants are included in the amendment.

Sen. Pat Pariseau (R-Farmington) said the language is similar to a bill she carried earlier this session and asked where the amendment differs. Counsel said the amendment differs mainly in the lack of a sentence enhancement and in the inclusion of specific language on training.

Sen. Sandra Pappas (DFL-St. Paul), who was present for the discussion of the amendment, but is not a member of the committee, asked Johnson if a quorum (i.e. half of the total membership of the committee) was present. Johnson, who had declared a quorum before action on the Betzold bill, took a count and recognized that some members had left and only 17 were still present. He said that 19 of the 37 members are needed for a quorum and added that no further action could be taken.

Sen. Dick Day (R-Owatonna) said that committees routinely conduct business without a quorum. Senate Counsel said that once a quorum is

formally questioned, a count must be taken and formal action suspended if not enough members are present. Johnson adjourned the meeting.

## Bonding bill debated

The Senate acted on a number of bills on Special Orders during the Weds., May 2, floor session. First on the agenda was the emergency bonding bill, S.F. 1402, authored by Sen. Keith Langseth (DFL-Glyndon). The bill appropriates \$213 million in bond proceeds for projects considered too urgent to be postponed until next year's major bonding bill.

Langseth summarized the projects funded under the bill. The bill provides \$16 million to the University of Minnesota and \$17.5 million to Minnesota State Colleges and Universities (MnSCU) for facilities maintenance, and \$32.2 million to address pressing needs at three K-12 school buildings. Natural resources appropriations in the bill are \$49 million to fully fund the Conservation Reserve Enhancement Program (CREP), \$5.234 million for flood hazard mitigation grants, \$20.9 million to clean up closed landfills, and \$1.6 million to acquire a green space in St. Paul. The bill also provides a total of \$41.8 million for administrative projects involving state buildings and for conversion of public television stations to a digital signal. Local wastewater projects receive \$30 million under the bill and \$1.3 million is appropriated to address tornado damage in Granite Falls. Finally, members adopted an amendment, offered by Langseth, to include a statement of intention, rather than a blank appropriation, to provide relief to areas hurt by this year's flooding.

Sen. Dave Kleis (R-St. Cloud) offered an amendment providing an additional \$5 million to MnSCU for asset preservation, transferring the funds from the appropriation for state building and land acquisition. Kleis said state campuses have many pressing maintenance needs, while the land acquisition fund has no definite target. Sen. Deanna Wiener (DFL-Eagan) opposed the amendment, saying the bill provides the \$17.5 million that MnSCU requested for emergency needs, and other needs will be addressed next year. The amendment failed.

An amendment offered by Sen. Cal Larson (R-Fergus Falls) generated considerable debate. The amendment takes \$4 million away from the appropriation for state building and land acquisition for

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three disaster relief projects. Under the amendment, the city of Glenville receives \$1.3 million for tornado damage, \$1.5 million is allocated for easements to control flooding in Southeast Minnesota, and \$1.2 million is directed toward the city of Bayport to reconstruct the state-owned sewer system, the deterioration of which has exacerbated flood damages. Sen. Grace Schwab (R-Albert Lea), Sen. Kenric Scheevel (R-Preston) and Sen. Michele Bachmann (R-Stillwater) called on members to assist residents in their districts who have been devastated by the natural disasters.

Langseth opposed the amendment. He said all three projects deserve assistance but should be addressed in a timely fashion. He said it would be prudent to wait for a damage estimate from Glenville, since the tornado had just occurred on the previous night. The amendment failed on a 29-34 vote.

Sen. Dean Johnson (DFL-Willmar) proposed an amendment addressing only the Glenville tornado. Johnson's amendment is a statement of intention to provide a grant to Glenville from the general contingent account. Larson offered an amendment to the amendment, providing statements of intention to assist Southeast Minnesota and Bayport as well as Glenville. Langseth said the two projects are bondable and should not be funded from the general contingency account. Sen. Leonard Price (DFL-Woodbury) said the city administrator of Bayport told him that repairing the sewer will not address the current disaster situation. Larson's amendment was defeated 28-37; Johnson's amendment to assist Glenville was adopted 63-0.

Kleis (R-St. Cloud) presented an amendment that he said maintains only those provisions in the bill that rise to the level of emergency status such as flood disaster relief. Langseth opposed the amendment saying that flood disaster relief is already addressed in statute and should not be included in the bill. The amendment was defeated in a 26-38 vote.

An amendment appropriating \$100,000 to Eden Prairie for the purchase of Birch Island Woods for green space was offered by Sen. Edward Oliver (R-Deephaven). Oliver said Eden Prairie and private developers are negotiating with Hennepin County to purchase 29 acres at a cost of between \$600,000 and \$800,000. Oliver said the provision should be adopted just as Pappas' amendment for St.

Paul's purchase of land for green space was adopted.

Sen. Linda Higgins (DFL-Mpls.) spoke in opposition of the amendment saying the Legislature should not get in the middle of negotiations between two units of government. The amendment was not adopted.

Sen. Dan Stevens (R-Mora) offered an amendment that appropriates \$1.7 million for wetland replacement due to public road construction. He said funding is secured in the transportation omnibus bill for the initiative. However, he said he doesn't want to take money away from critical road projects and believes bonding is the appropriate funding source because it impacts all residents of the state. The amendment was defeated.

The bill was approved on a 42-22 roll call vote, one vote more than necessary to pass. The bill was then laid on the table.

### **Omnibus E-12 budget heard**

A bill providing funding for early childhood through grade 12 education was the focus of the Thurs., May 3, floor session. The measure, S.F. 2359, includes funding for general education, special education, educational excellence initiatives, facilities and technology proposals, fund transfers, nutrition programs, child abuse prevention programs, self-sufficiency in life-long learning programs and aid to libraries.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chief sponsor of the bill, said, "This bill has a tremendous impact on our children and our families." He said the bill brings greater equity between districts, addresses the needs of early childhood programs and tries to reform the educational system with innovative, creative ideas and change.

Stumpf continued, "There are a number of components in this measure." The bill appropriates a total of \$500 million in new spending for the biennium, representing a dramatic difference between the Senate proposal and the administration's proposed zero increase in new funding for the first year of the biennium. Provisions in S.F. 2359 add an increase to the education formula and provide an infusion of new funding for districts. According to Stumpf, a provision transfers to the formula \$415 per pupil from excess levies to the general education formula, and adds \$106 per pupil in FY 02 and \$140 per pupil in FY 03 to the basic formula allowance. Pupil compression is streamlined and reformulated under the

bill to raise the base formula to \$5,135 per pupil. Stumpf said the new formula recognizes that the real cost of educating each child is actually higher than under the current formula. Another provision transfers money from the general education per pupil formula to pay for unfunded special education costs. The bill addresses disparities between rich and poor districts, Stumpf said, by adding \$43 million to the state equity formula. The bill also reallocates \$17 million from the charter school lease levies, he said.

Also under the bill, Stumpf said, a provision allows high school seniors to leave school early if they meet all education requirements for graduation, allowing schools to keep the excess revenues to help fund all-day kindergarten. Another provision allows school districts to assess a fee for transporting students within a 2-mile limit. Current law requires that districts provide transportation to all students outside the 2-mile limit.

The bill includes funding for career and technical school education, telecommunications funding and provides staff for a gifted learning program through the Dept. of Children, Families and Learning (CFL). Stumpf emphasized that an important component appropriates \$80 million for the next two bienniums for special education. Additionally, the bill addresses the problems of teacher retention by instituting a loan forgiveness program, alternative licensure provisions and a mentorship program for the first three years of a teacher's career.

Sen. Becky Lourey (DFL-Kerrick) provided an overview of the bill related to early childhood education. "One of the things we're doing is consolidating childcare programs," she said. A provision allows community early childhood counsels to integrate all or a portion of funding available through Head Start, child care services grants and ECFE. Other provisions include the establishment of a TEACH program to provide tuition scholarships in an amount up to \$2,000 per year, education incentive bonuses of \$300-\$500 and retention bonuses up to \$3,500 annually to child care and education providers and staff.

Debate on the bill began in the morning and continued throughout the day. The bill was approved on a 46-18 roll call vote. A complete discussion of debate on the bill and the consideration of amendments will be included in the May 11 issue of Senate Briefly.

# Committee update

## Capital Investment

### Bonding bill advanced

Sen. Keith Langseth (DFL-Glyndon) convened the Capital Investment Committee meeting Fri., Apr. 27. Members approved a bonding bill that authorizes \$153.125 million in appropriations.

Langseth said the bill includes only projects that urgently need funding and cannot be put off until the next comprehensive bonding bill.

The measure authorizes asset preservation projects for higher education and the Department of Administration. A total of \$33.4 million in bond proceeds is earmarked for asset preservation measures at the University of Minnesota and Minnesota State Colleges and Universities.

Under the bill, the Department of Administration receives \$41.767 million of bonding. The figure covers asset preservation of government buildings, electrical utility infrastructure improvements for the Capitol complex and land acquisition, site preparation and design for government office buildings under the office's authority. The bill authorizes \$1.167 million of bond sales to pay for improvements to the governor's residence.

The measure also designates \$20.9 million for the conversion of public television stations to digital technology. The funding for public television, said Langseth, is needed this year in order to qualify the project for additional federal funds.

Federal government funding matches are also the reason to act expediently to finish the conservation reserve enhancement program (CREP), said Langseth. The bill provides \$48.9 million for the program, which protects lands along the Minnesota River.

The bill also authorizes bond sales for two local projects. Waste water infrastructure projects are allowed \$30 million in bond appropriations. Sen. Dennis Frederickson (R-New Ulm) said that West Newport Township desperately needs the funds for a sewer project that had unexpected high costs. He said without the money, residents will have to pay \$186 every month for sewer service. The bonding measure also designates \$1.3 million to Granite Falls for infrastructure repairs necessitated by a tornado that struck the community last summer. The bonding bill also appropriates an unspecified amount of bonding money for flood

disaster recovery. Langseth said the total flood damages are not yet determined.

Sen. Michelle Bachmann (R-Stillwater) said the bill should address the needs of the town of Bayport, which has suffered extensive flooding. She said the town can save \$500,000 if repairs to Bayport's storm sewers can be made this year in conjunction with road construction projects. More than 200 homes are at risk of continued flooding unless repairs are made soon, she said. Langseth said the bonding bill is already much more comprehensive than the bill proposed by the governor and Bayport's needs are not urgent enough to merit inclusion.

The governor recommends authorizing \$206.663 million of bond funds for FY 02 and FY 03. Langseth's bill authorizes \$193 million for FY 02 only.

## Education

### Omnibus bill amendments heard

Sen. LeRoy Stumpf (DFL-Thief River Falls) presented the \$9.3 billion E-12 Education omnibus bill to the full Education Committee at the Thurs., Apr. 25, hearing. Several amendments were also heard by members at the meeting chaired by Sen. Sandra Pappas (DFL-St. Paul).

Stumpf thanked members for their hard work and dedication to a bill that more closely reflects the real cost of educating children in the state. He said the bill includes provisions that put as much money as possible in the formula, which reflects the actual cost per pupil. Additionally, he said, "There are large differences between districts in their ability to raise revenue and we are trying to address those needs in the bill."

The bill has \$500 million in new spending for equity measures, an increase to the general education formula and an infusion of new funding money for districts, said Stumpf. He highlighted several provisions in the bill including a \$415 per pupil transfer from excess levies to the formula, a measure adding \$106 per pupil in FY 02 and \$140 per pupil in FY 03 to the basic formula allowance and a compression of pupil unit weighting. Another provision in the bill seeks to offset the disparity between revenue rich and poor districts by adding \$43 million to the state equity formula.

Stumpf began consideration of amendments with an amendment that allows school districts that don't have

voter approved referendum revenue to institute a board-approved referendum. Under the provision, the referendum must be at a rate of at least \$50 per pupil but no more than \$75 per pupil. The purpose of the provision, he said, is to allow districts without levy referendums to qualify for increased equity dollars in the bill. The amendment was adopted.

Another amendment, presented by Sen. Martha Robertson (R-Minnetonka), transfers money from the general education per pupil formula to pay for unfunded special education costs. Under the amendment, \$50 per pupil in FY 02 and \$100 per pupil in FY 03 is transferred from the general education per pupil formula to pay for unfunded special education. Robertson said over \$300 million is being cross-subsidized for special education and the Legislature has an obligation to districts. The amendment was approved in a 15-14 vote but was defeated after reconsideration.

Sen. Steve Kelley (DFL-Hopkins) offered two amendments. The first amendment changes the structure of the Minnesota Education Telecommunications Council by adding two new members, one from the higher education area and the other from the K-12 area. The amendment also clarifies the council's duties. The amendment was adopted. The next Kelley amendment provides inflationary raises to the referendum cap for districts. The amendment was defeated.

An amendment increasing funding for Indian education programs was presented by Sen. Anthony "Tony" Kinkel (DFL-Park Rapids). The provision transfers \$1 million from the best practices program to Indian education programs. The amendment was adopted.

The next amendment, presented by Sen. Becky Lourey (DFL-Kerrick), is a cost savings initiative. The provision increases the number of hours from 10 to 20 that child care assistance program participants must work. The amendment was adopted and the education omnibus bill was referred to the Tax Committee.

## Finance

### Two omnibus bills advanced

Members of the full Finance Committee debated and amended two omnibus funding bills at the Thurs., Apr. 26, meeting. Chair Douglas Johnson (DFL-Tower) presided while Sen. Linda Berglin

(DFL-Mpls.) and Sen. Richard Cohen (DFL-St. Paul) presented the bills.

Berglin gave an overview of the appropriations bill formulated by the Health, Human Services and Corrections Budget Division. The bill, which is over 675 pages long, includes \$6.732 billion for the biennium in programs for health and family security.

Berglin said a primary emphasis of the bill is a set of provisions intended to retain and attract employees to positions in long term health care facilities. The bill contains cost of living increases phased in over two years and expanded health care and education benefits. The bill also provides increases for facilities, including rate reimbursement increases for nursing homes. Provisions for the general reform of long term care include \$5 million in funding for conversion of facilities and development of programs. The bill also includes increased funding for uncompensated care and coverage for the uninsured, as well as new provisions and funding addressing mental health and health disparities in communities of color.

Johnson offered an amendment that removes language in the bill related to unspent appropriations for the Department of Health. Sen. Sheila Kiscaden (R-Rochester) spoke against the amendment. She said the language is intended to address situations where unspent money is made eligible for a rebate even though the department should still devote the funding to unmet needs. Johnson said the provision is not consistent with the way the Department of Finance handles forecasts. The amendment prevailed and the language was removed.

Berglin and Sen. Dan Stevens (R-Mora) presented an amendment that removes funding from a grant program for the conversion of closed nursing homes. Under the amendment, the funding is redirected so that low-rate nursing homes get a rate reimbursement increase. Berglin said that the amendment represents a compromise, but added that she wishes both things could be funded. Stevens said the rate increase for low rate homes will prevent more of them from closing. The amendment was adopted.

Sen. Pat Pariseau (R-Farmington) offered an amendment striking a provision specifying that nurses may refuse to work overtime under certain conditions. She said it is a workforce policy issue that should not be included in the bill. Sen. Ellen Anderson (DFL-St. Paul) said the provision should be retained because it is an important protection for nurses and for the quality of care. The amendment was defeated 12-19.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment that increases rural hospital grants by \$4 million by delaying the bill's health insurance assistance program for long term care employees. Berglin said there is ample money in the rural grants program. The amendment was not adopted.

The bill was approved as amended and sent to the floor.

Sen. Richard Cohen (DFL-St. Paul) highlighted aspects of the omnibus bill for the State Government, Economic Development and the Judiciary Budget Division. Housing provisions include \$75 million in one-time funding for affordable housing



*Sen. James Metzen (DFL - South St. Paul), Sen. Dennis Frederickson (R - New Ulm) and Sen. Charles Berg (R - Chokio) confer with each other during a recent meeting of the Finance Committee.*

Photo by David J. Oakes

# Committee update

and a continuation and expansion of the existing inclusionary housing program. He said the judiciary budget provisions include an increase in the number of judges and supportive services for the courts, as well as continued absorption of court funding by the state. A third area highlighted by Cohen was a number of initiatives to foster growth in the state's economy, especially as it is influenced by the high-tech industry. He also said the reorganization of the workforce departments is included in the bill. He summarized some of the workforce development programs funded in the bill, including a significant amount of pass-through dollars for non-profits, which Cohen said had been decreased or eliminated in the governor's budget.

State departments and agencies receive some limited base cuts in the bill, Cohen said. He said that some of the cuts had been made based on a misconception on his part and he offered an amendment to restore over \$2 million in carry-forward amounts to the Departments of Finance and Administration. His amendment also removes a recapture of revenue from the Secretary of State's Office related to Uniform Commercial Code Article 9 services. To make up for the restored funding, the amendment decreases funding for a variety of agencies and programs, including public television digital conversion, high-tech economic development initiatives, planning for the Roy Wilkins Center, and the Minnesota State Arts Board. The amendment also frees up funds by delaying the increase of judgeships, reducing funding for community courts, and cutting the operating budget for the other body. His amendment was adopted.

Cohen said the bill, as presented, has an unallocated bottom line amount of \$126,000. Sen. Twyla Ring (DFL-North Branch) offered an amendment to devote \$25,000 of the amount to a monument for the Civilian Conservation Corps. Her amendment, amended by members to specify that the monument not be placed on the Capitol grounds, was adopted. Sen. Randy Kelly (DFL-St. Paul) offered an amendment devoting the remainder of the amount to the Computers for Schools program and taking another \$49,000 from the budget for the other body. The amendment was approved.

Johnson and Kelly offered an amendment that takes another \$440,000 from the



*Propped up by her mother, five month old Mari of St. Paul takes in her surroundings in the Capitol rotunda during the kick off ceremony for Asian Pacific American Heritage Month Tues., May 1.*

Photo by David J. Oakes

budget for the other body to restore funding for research staff for the Office of Strategic and Long Range Planning. Johnson said the staff is important especially for local governments in Greater Minnesota. The amendment was adopted. Sen. Jane Ranum (DFL-Mpls.) offered an amendment restoring funding to the Department of Employee Relations for the state's employee assistance counseling program.

Her amendment makes up for the change by decreasing the budget for the other body. Cohen opposed the amendment. He said the program is funded through individual agencies, and added that if money continues to be removed

from the House budget, "pretty soon we'll be unicameral." The amendment was not adopted.

Sen. Edward Oliver (R-Deephaven) offered an amendment removing provisions related to campaign finance reform. His amendment was not adopted. An amendment successfully offered by Sen. David Knutson (R-Burnsville) restores \$100,000 in funding for a marketing plan by the West Central Growth Alliance by reducing the Attorney General's Office's salary equity account.

Several technical or clarifying amendments were added to the bill, including one that removes an entire section related to airport mitigation which

will be considered instead by the Tax Committee. The bill was approved and advanced to the floor.

### **Bonding bill advanced**

The Finance Committee approved the emergency bonding bill, S.F. 1402, in a morning hearing Tues., May 1. The bill authorizes bonding for projects that are considered too urgent to postpone until next year's major bonding bill. Committee Chair Douglas Johnson (DFL-Tower) presided at the hearing.

Sen. Keith Langseth (DFL-Glyndon), chair of the Capital Investment Committee, presented the bonding recommendations. The \$213 million package includes \$16 million for the University of Minnesota and \$17.5 million for Minnesota State Colleges and Universities (MnSCU), to be used for asset preservation and replacement (HEAPR). In addition, three K-12 education projects receive a total of \$32.2 million under the bill. The funds are to assist in the merger of the Upsala and Swanville school districts, improve the condition of the East Central High School in Sandstone and complete construction of the East Metro Middle School in the Twin Cities.

Natural resources projects recommended for bonding are \$5 million for flood mitigation in Eagan, \$234,000 for flood projects in the Red River Valley Basin and \$48.9 million to match federal funds for the Conservation Reserve Enhancement Program (CREP) in the Minnesota River Basin.

About \$42 million in the bill is targeted at administrative projects, including \$1.167 million for utilities improvements to the governor's residence, \$20.9 million to convert public television stations to a digital broadcast signal and \$2.5 million to improve the electrical infrastructure in the Capitol, in addition to numerous other repair and development projects for state buildings.

Finally, the bill includes \$30 million for local wastewater projects, \$1.3 million to repair tornado damage in Granite Falls and an open appropriation for damage caused by the 2001 spring floods. The Legislature will not know just how much is needed for this year's floods until near the end of session, Langseth said.

Two amendments, offered by Langseth, adjust appropriations in the bill. One converts the \$20.9 million for digital

television from general fund dollars to bonding. The other re-authorizes \$20.5 million in bond proceeds to clean up closed landfills. Both amendments were adopted.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment providing \$1.6 million to purchase the 58-acre Trout Brook/Trillium site in the north St. Paul area. The money is taken from the appropriation for state building and land acquisition. "This is a chance to save the last green space in St. Paul," Anderson said. She said the city will have to issue development permits for the site if it is not acquired this year.

Several members warned that adopting the amendment will induce many more Senators to attempt to include projects in the bonding bill. Langseth favored including the project in next year's bonding bill, saying that St. Paul has received much state help in the past and should find a way to retain the land for one more year. In the end, the amendment narrowly prevailed.

An amendment offered by Douglas Johnson generated debate over the prioritization of wastewater projects. Johnson's amendment requires the Public Facilities Authority (PFA) to use the current project priority list in assigning funding for the biennium. Terry Kuhlman, PFA, said the amendment ensures that cities that narrowly miss funding one year can expect funding the next year and not be preempted by a reprioritization.

Sen. Leonard Price (DFL-Woodbury) pointed out that Johnson's amendment, in conjunction with a provision in the bill that exempts municipalities on the shore of Lake Superior from the limit on wastewater grants, means that expensive Lake Superior projects will absorb funding before it reaches lower priority projects. Johnson said Lake Superior projects are difficult not only because the land is mostly rock, but also because projects have to meet a higher federal water quality standard. The amendment was adopted.

Finally, Sen. James Metzen (DFL-South St. Paul) offered an amendment giving a city designated as an economically depressed area priority for a redevelopment grant from the Dept. of Trade and Economic Development. The amendment targets a South St. Paul area that lost several major employers, Metzen said. The amendment was adopted.

### **Members digest education bill**

The omnibus funding bill from the E-12 Education Budget Division was heard by the full Finance Committee at an afternoon meeting Tues., May 1. The bill had been heard and amended in the morning by the Committee on Taxes.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said the fact that 90 percent of school districts currently have excess levies indicates the need for increased basic funding for schools. He said the bill includes general education formula allowance increases of \$106 and \$160, respectively, in the next two years. Meanwhile, he said, a referendum transfer amount of \$461 will help to balance the increases for schools that have difficulty passing excess levies. He said the transfer is phased in over four years to soften the impact.

Stumpf also pointed to other major reforms in the bill. He said supplemental and transition aids and levies had been consolidated into the general education funding. The net result of the changes is that, under the bill, net aid funding accounts for 67.3 percent of funding while combined levies account for 32.7 percent. One other key mechanism that changes, under the bill, is a modification of pupil unit weighting to balance middle years more evenly with early childhood and secondary weights. Sen. Martha Robertson (R-Minnetonka) said the bill represents an effort to direct increased funding, which is relatively small compared to total funding, toward districts that need it the most.

Stumpf also highlighted a couple of specific programs that have a fiscal impact. He said the bill allows schools to charge fees for providing bus service to pupils within two miles of school. The bill also includes provisions for early graduation and the department's "Teachers for the 21st Century" initiative. Regarding special education, the bill offers an incentive for schools to apply for Medical Assistance reimbursement by tying it to eligibility for excess cost aid from the state. Finally, he said that funding for Head Start, school readiness, and Early Childhood Family Education is consolidated, under the bill.

Questions were raised by members regarding amendments added earlier in the day by the Tax Committee. Several Senators asked about a provision that allows Independent School District 361, International Falls, to levy for the opera-

# Committee update

tional costs of the school's pool. Sen. Jane Ranum (DFL-Mpls.) said it is hard to justify even a little money for a pool when so many districts are being forced to cut more important things like classroom teachers. Sen. Twyla Ring (DFL-North Branch) and Sen. Douglas Johnson (DFL-Tower) said other schools that have pools will want levies too. Robertson said money for pool levies has to be accounted for in the bill's bottom line, especially if schools statewide will be included.

On another amendment added by the Tax Committee, Sen. Linda Berglin (DFL-Mpls.) and Sen. Sheila Kiscaden (R-Rochester) said some of the language included in the amendment is already in the omnibus health bill. The amendment addresses human services funding directed toward the renovation of a center in Brainerd to be used for educational purposes. An amendment was added to delete the redundant language but retain language pertaining to the district's reimbursement of the department.

Stumpf offered an amendment specifying that, if the emergency energy assistance initiative is enacted in the session, it is automatically repealed. He said without the amendment, the Department of Finance will set the E-12 Education target for FY 02-03 at an amount that exceeds the Senate's budget resolution. The amendment was adopted on a vote of 14-10.

Sen. Thomas Neville (R-Northfield) offered an amendment taking \$350,000 from best practices seminars to give technology money to the LeCenter School District. He said many school districts lost out because of a court ruling on prevailing wages. Robertson said that schools in districts represented by the majority party got the money restored. Robertson added, however, that she does not agree with where Neville's amendment removes funding. Stumpf said he is sympathetic to the need and is willing to work with Neville to find the money in the bill. Neville withdrew his amendment.

The bill, as amended, was approved by the committee and forwarded to the floor.

## Judiciary

### Child support reform discussed

The Judiciary Committee met Tues., May 1, to consider a bill, a potential floor amendment, and a confirmation. Chair John Marty (DFL-Roseville) presided.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 1004 for consideration. The bill makes it a criminal offense to tamper with clock-hour meters on farm tractors. Lourey said the bill is similar in both language and intent to existing prohibitions on tampering with car odometers. Marty proposed an amendment, based on discussions in an earlier committee, that expands the prohibition to include all heavy equipment that use clock-hours. The amendment was adopted. Sen. Don Betzold (DFL-Fridley) offered an amend-



*As part of the seventh annual "Freedom Fest" at the State Capitol, members of the New Ulm Battery stand at the ready to fire their cannon Tues., May 1.*

Photo by Shelley Hawes



ment striking language that makes it illegal to advertise the sale of equipment with tampered meters. He said the provision might be an infringement on free speech and added that not restricting advertising may make it easier to catch violators. His amendment was adopted.

Sen. Warren Limmer (R-Maple Grove) said the bill still might need language requiring a seller to certify the clock-hour reading as is the case with cars and odometers. He said he did not yet have an amendment to offer to that effect. The bill was approved as amended and advanced to the floor.

Members also considered, informally, the language of an amendment that Sen. Sandra Pappas (DFL-St. Paul) said she was planning to offer on the floor during debate of the omnibus E-12 education bill. Her amendment relates to charter schools and addresses conflict of interest, access to documents, and circumstances under which a lien may be filed for a leased school building. Limmer asked a number of questions about the lease provisions and Rep. Matt Entenza (DFL-St. Paul), speaking on behalf of the provision, said the language had been drafted to be fairly narrow and has been approved by the Real Property Law Section of the Minnesota State Bar Association.

Finally, members questioned Cyndy Brucato, a nominee for re-appointment to the Board on Judicial Standards. Sen. Jane Ranum (DFL-Mpls.) said Brucato had to be asked to withdraw from visible political involvement during her current term on the board. Brucato said that she will refrain from any political activity that might create an appearance of bias to petitioners who appear before the board. Senators also questioned Brucato about certain aspects of the board's activities including the timeliness of findings and rulings related to the demeanor of judges.

The committee voted to recommend the confirmation of Brucato's re-appointment.

## Taxes

### E-12 bill discussed

Sen. LeRoy Stumpf (DFL-Thief River Falls) presented the omnibus E-12 education budget bill to members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), Tues., May 1. The bill provides \$9.3 billion in spending for FY 2002-2003.

Stumpf offered an amendment to remove the debt service equalization, appropriation and levy provisions from the bill for future consideration by the Tax Committee. The rest of the bill provides a variety of funding sources for schools, including a transfer of \$415 per pupil from transition, referendum and supplemental aid to the general education formula. Stumpf said the money is needed to equalize aid to schools. He also said the bill provides a \$32 million statewide levy reduction. The bill, Stumpf said, phases in the \$415 per pupil aid over a four year period and compensatory and sparsity revenue for schools over three years.

Sen. William Belanger (R-Bloomington) said the Legislature had made headway towards significant property tax reform during the 1998-1999 Legislative Session. He said the Tax Committee had moved away from taxation on a tax capacity basis and towards use of a market value basis. Such a shift reduces the burden on commercial-industrial property and apartments, he said. Belanger asked Stumpf how property tax reform could be accomplished if the work of the Tax Committee will be undone by the E-12 Education Budget Division. Belanger also said the Legislature is trying to return accountability and responsibility to school boards and school district residents, but that a shift to using tax capacity thwarts the efforts.

Stumpf said the average referendum in the state is currently over \$600. What is left on the referenda after the \$415 per pupil transfer, he said, will be raised on a market value basis. According to Senate Fiscal Analyst Gordon Folkman, commercial-industrial property represents about 15 percent of the market value base and homesteads account for about 58 percent statewide. However, he said, commercial-industrial is about 30 percent of the tax capacity base while homesteads are about 45 percent statewide. Thus, Folkman said, the statewide tax shift will be away from homesteads to business property. He reminded the panel that the percentages vary from district to district.

Folkman also said the change in property tax will be affected by each district's relative mix of levy and aid for both referendum and general education revenue. For districts where the effects of the bill are to reduce levy dependency, he said, properties are likely to experience a tax reduction. Pogemiller said the Tax

Committee will have to address the structural issues of its taxation goals and the education funding proposed in S.F. 2359, the omnibus education funding bill.

Belanger offered two amendments to the bill. The first amendment deletes a section granting school districts that have never had a referendum the ability to pass a referendum by a resolution of the school board. Stumpf said the section affects about 30 districts that, under current law, cannot access equity aid offered by the state.

He explained that state law requires districts show some local action to address school funding before the state aid is available. Belanger said the state has always respected local voters in the past and that the provision appears to be an end-run around the districts' voters. The amendment was rejected on a 13-17 roll call vote.

Belanger's other amendment deletes provisions in the bill granting the St. Paul School District levy authority by resolution of its school board. Sen. Sandra Pappas (DFL-St. Paul) said the authority has been granted in the past to help the district address debt service issues. Sen. Kenric Scheevel (R-Preston) said such authority should be available to all districts or no districts. "Do we want to give levy authority to all our school boards?" he asked.

Pappas said the provision tries to build balance into the statewide funding equation. Sen. Steve Kelley (DFL-Hopkins) said he rejects the notion that there is balance with the provision. The amendment failed on a 12-18 roll call vote.

An amendment granting school districts the authority to levy for the operating costs of swimming pools was offered by Sen. Bob Lessard (IND-Int'l. Falls). After some discussion about the costs of the amendment, it was redrafted to grant only the International Falls School District such authority. The amendment was adopted.

Tom Hesse, Minnesota Chamber of Commerce, spoke briefly on the bill. He said the significant shift of tax burden for education funding onto business properties should be examined closely by the Tax Committee. Hesse said the shift was going in the wrong direction.

The omnibus education funding bill was approved and advanced to the Finance Committee.

# Floor update

Friday, April 27

## Transportation funding passed

The Senate passed the omnibus transportation and public safety budget bill, S.F. 2340, during the first portion of the floor session Fri., Apr. 27. Members debated an extensive series of amendments before voting on the bill.

Sen. Dean Johnson (DFL-Willmar), chair of the Transportation and Public Safety Budget Division, introduced the bill. The \$3.9 billion bill includes \$300 million in spending from the 2001 surplus. Johnson highlighted \$23 million for public safety initiatives, \$100 million for state roads and \$18 million to prevent a metro transit fare increase. The bill also allocates \$14 million annually for the CrimNet information system, \$2 million for a gang strike force, \$2.7 million for soccer fields and \$2.5 million for Mighty Ducks ice arenas. Policy provisions in the bill include the “photocop” initiative,

allowing local governments to use cameras to catch traffic signal violations, and a constitutional amendment to dedicate 50 percent of the motor vehicle excise tax (MVET) to highways and transit. The gas tax increase has been taken out of the bill, Johnson said.

Several small amendments were adopted. An amendment offered by Sen. Charles Wiger (DFL-North St. Paul) allows veterans to keep license plates for the lifetime of the veteran. Sen. Sheila Kiscaden (R-Rochester) offered an amendment allowing a city to establish a quiet zone, in which trains are not allowed to sound whistles. An amendment, offered by Sen. Anthony “Tony” Kinkel (DFL-Park Rapids), provides that MNDOT must consider erecting a global positioning tower at the Bedora state nursery site in Hubbard County. The site is less expensive and better than alternate sites, Kinkel said.

Sen. Steve Dille (R-Dassel) offered an amendment to change to Dec. 31, 1996,

the date after which a wind energy facility must have begun production in order to be eligible for a state subsidy. The amendment only affects one individual, he said. An amendment, offered by Sen. Dave Kleis (R-St. Cloud), uses a standard practice to make the city of Chisholm eligible for state highway aid despite a change in population. All of the amendments were adopted.

An amendment, offered by Sen. Mark Ourada (R-Buffalo), relates to the issue of racial profiling. The amendment provides \$280,000 to cover costs associated with monitoring racial profiling in state patrol vehicles, taking the money from a crime prevention services center and a domestic abuse prevention unit. Sen. Jane Ranum (DFL-Mpls.) said a study has found that administration will cost only \$90,000, a figure which Ourada disputed. The amendment was defeated.

An amendment, offered by Sen. Deanna Wiener (DFL-Eagan), relates to



Sen. Debbie Johnson (R - Ham Lake) incorporates both old and new technology in her search for information on a bill during a recent Senate floor session.

Photo by David J. Oakes

fees for vehicle registration. The amendment retains the fee increases requested by private deputy registrars, set at \$4.50 or \$7.00, depending on the type of vehicle. However, the amendment keeps the fee for applications made directly to the state at \$3.50. Wiener said people who want to register directly with state should not have to pay more because private registrars have requested a fee increase. Sen. Steve Murphy (DFL-Red Wing) said the state fee increase is intended to improve motor vehicle services and track down uninsured drivers. Wiener's amendment prevailed 39-19.

Sen. Jane Krentz (DFL-May Township) offered an amendment requesting MNDOT to examine the feasibility of constructing an interchange between the 35-E and 35-W interstates in the Forest Lake area. Dean Johnson opposed putting more studies in the bill and said Krentz should follow an established departmental system for the request. The amendment failed.

Sen. Jane Krentz (DFL-May Township) offered an amendment, which was adopted, to establish maximum speed limits in school zones of 25 miles per hour or 20 miles per hour below the posted limit, upon the request of a school board or local unit of government.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment to S.F. 2340, to remove the photocop portions of the bill. Under the bill, peace officers are authorized to use photographic evidence to detect traffic signal violations at intersections. Cameras, installed near light signals, photograph vehicles rather than occupants. A provision allows that citations be issued to vehicle owners through the mail within seven working days of the offense. Scheid said she was uncomfortable with legislation that moves government in the direction of watching citizens with cameras. She said, "We're opening a can of worms and I don't think we should give a green light to cities for photocopping." As an alternative to photographic surveillance at intersections, Scheid suggested that drivers be encouraged to concentrate on defensive driving.

Krentz spoke in opposition to the amendment. She said in other states, where cameras are used, accident and fatality rates were dramatically reduced. Sen. Roy Terwilliger (R-Edina) emphatically agreed that the deterrent effect of photocopping saves lives.

Sen. David Johnson (DFL-Bloomington) said he and others had Big Brother fears. He also said he opposed a system that photographs the automobile license instead of the driver of the vehicle.

Terwilliger said a camera study conducted at the intersection of Snelling Ave. and St. Anthony in St. Paul indicated hundreds of signal violations each month. The amendment failed on a 26-34 roll-call vote.

David Johnson offered an amendment to make the operator, rather than the owner of the vehicle, liable for photocop violations. "Let's make the person committing the crime responsible," Johnson said. He told members that California and Arizona use cameras to photograph both the vehicle operator and license plate.

Sen. Claire Robling (R-Prior Lake) said she opposed the amendment. She said photocopying is problematic in California because determining a positive personal identification is so difficult.

Johnson said that the photocop initiative creates problems with insurance coverage, which could be canceled in cases of violations committed when the owner is not driving.

The amendment failed on a 14-48 roll-call vote.

Terwilliger offered two additional amendments. The first provides that a city or town participating in the photocop program is liable for the repayment of fines collected for signal law violations if the alleged violations occur during a time period when the photographic system was unreliable due to malfunction, inadequate maintenance or improper placement. Terwilliger then offered an amendment specifying that operators of a photocop program not be provided payment based on the number of citations issued or based on the percentage of the amount of fines assessed or collected.

Both amendments were adopted.

Sen. John Marty (DFL-Roseville) offered an amendment to address public appointments of deputy registrars of motor vehicle licensing. The amendment sunsets the term of office for deputy registrars on July 1, 2001. Currently, the term of office ends Jan. 1, 2009. Marty said he was aware of instances in which deputy registrars sold the position to another. "Selling public appointments is wrong," Marty said. Sen. Steve Murphy (DFL-Red Wing) said that in rural counties, deputy registrars receive much less compensation than in urban

counties, and they depend on the income for retirement. The amendment did not prevail.

Dean Johnson offered an amendment to specify that \$1.25 million of general funds be appropriated for FY 01 for public infrastructure and restoration grants. Further, the amendment appropriates \$600,000 for grants to local units of government for assisting with the cost of damage assessment, repair, replacement, extension or improvement of publicly owned buildings, parks, storm sewers, wastewater systems, streets, bridges and other infrastructure. Another provision appropriates \$625,000 for local grants to assist with the costs not eligible for reimbursement under the Federal Emergency Management Agency disaster relief programs and \$25,000 for a grant to Project Turnabout for capital expenditures related to tornado damage. Members voted to adopt the amendment.

Another amendment offered by Dean Johnson transfers \$7.3 million to the transportation revolving fund. Under the amendment, \$7.2 million is for transfer to the Board of Water and Soil resources to acquire wetland banking credits, land or services for the purpose of restoring or creating wetlands. The amendment was adopted.

Sen. Dick Day (R-Owatonna) offered an amendment to modify the transportation policy constitutional amendment proposal. The amendment increases the minimum net proceeds from taxes imposed by the state on the sale of new and used motor vehicles from 32 percent to 60 percent, deposited in the highway user tax distribution fund. The amendment also establishes that a minimum of 20 percent of the tax be used for operating assistance to public transit systems. Day said the amendment addresses long-term funding for roads by providing a 40-20 division of funds for roads and public transit. "We'll all be suffering for years to come if we don't do something different with this bill," Day said.

Dean Johnson said the amendment will cost \$182 million in the first year if adopted. "We have to balance the books," he said, adding, "there are other bills that provide for transit."

Sen. Mark Ourada (R-Buffalo) said if the Legislature doesn't vote for Day's amendment, the potholes will not be repaired. He said the fatal flaw in the transportation bill is that the Senate is

# Floor update



*Sen. John Marty (DFL - Roseville), left, pores over the fine points of a bill with Senate Counsel Peter Wattson during a recent Senate floor session.*

Photo by David J. Oakes

doing nothing for long-term funding for roads.

The amendment was not adopted.

Sen. John Hottinger (DFL-Mankato) offered an amendment to make seat belt violations a primary offense. Hottinger said that although he understands the concern that seat belt violations could become an excuse for racial profiling traffic stops, the amendment encourages a deterrent effect that saves lives. A \$25 fine is imposed for seat belt violations, under the amendment.

Sen. David Tomassoni (DFL-Chisholm) said the amendment raises individual rights concerns. "We've just passed the photocop provision; this amendment leads us farther down the slippery slope, next we'll allow the police to photograph you for not wearing a seatbelt and then send you a ticket," he said.

Kierlin opposed the amendment on cost efficiency grounds. He calculated the

time it takes to buckle up, multiplied by the number of workers driving, estimated over a worker's lifetime and concluded that millions of dollars worth of work-time is lost by wearing a seat belt.

However, the amendment was adopted on a 32-30 roll call vote.

Amendments by Sen. Kenric Scheevel (R-Preston) and Sen. Randy Kelly (DFL-St. Paul) were not adopted. The Scheevel amendment provides money from the trunk highway fund for a public safety radio system for Southeastern Minnesota, but Dean Johnson said money for such a project should be from bond proceeds instead of coming from the transportation funding. The Kelly amendment sought money for a study on a new soccer facility in St. Paul.

A public safety amendment, offered by Sen. Thomas Neuville (R-Northfield), was also not adopted. The amendment requires that 10 percent of funding for domestic abuse be devoted to male

victims. Sen. Jane Ranum (DFL-Mpls.) said the resources devoted to battered women are already scarce and the proportion of men who are victims needs to be studied. The amendment was defeated by a vote of 30-31.

The bill, as amended, was granted final passage by a vote of 40-23.

## Monday, April 30

### Campaign finance debate sparked

The first half of the floor session Mon., Apr. 30, was devoted to debate concerning the omnibus funding bill for state government, economic development and the judiciary. The bill includes a number of provisions that piqued Senators attention, including campaign finance reform, housing, and workforce programs.

Sen. Richard Cohen (DFL-St. Paul) highlighted aspects of the omnibus bill for the State Government, Economic Devel-

opment and the Judiciary Budget Division. He said the bill appropriates \$75 million in one-time funding for affordable housing and includes provisions that continue and expand the inclusionary housing program. He said the judiciary budget includes funding for the continued absorption of court costs by the state and increased support for ancillary services such as court interpreters to serve the diverse needs of Minnesota's immigrant population.

A third area highlighted by Cohen was a group of initiatives to foster growth in the state's high-technology economy. Finally, Cohen summarized the workforce development programs funded in the bill, including a significant amount of pass-through dollars for non-profits, which Cohen said more efficiently and effectively serve needs across traditional boundaries.

State departments and agencies receive some limited base cuts in the bill, Cohen said. He added several technical amendments including one that restored a small amount of funding previously cut from the Department of Finance and from the budget for the other body.

The bill also addresses campaign finance reform provisions, which Sen. John Hottinger (DFL-Mankato) said represent the governor's reform plan as modified by the Rules and Administration Committee's Subcommittee on Elections. Sen. Sheila Kiscaden (R-Rochester) said the provisions do not belong in the bill because of the subject matter and because many of the provisions might be unconstitutional. Sen. Edward Oliver (R-Deephaven) offered an amendment to delete the section, saying it should be debated separate from the funding bill. Sen. John Hottinger (DFL-Mankato) said a constitutional expert had testified in committee that the section's drafting will hold up to constitutional scrutiny, especially given rulings in various Circuit Courts and the Supreme Court. He also said the policy is relevant in the bill because it affects candidate funding made available through the bill.

Oliver withdrew his amendment, but it was renewed by Sen. Warren Limmer (R-Maple Grove). Sen. Thomas Neuville (R-Northfield) said the section's criminal sanctions for failure to notify independent expenditures will have a chilling effect on free speech. The Limmer amendment was defeated by a vote of 28-37.

Sen. Arlene Lesewski (R-Marshall) presented an amendment requiring

political candidates be charged no more than other units in a parade. Lesewski said the amendment is a result of parade sponsors charging political candidates from one to five times more than other parade participants. Neuville opposed the amendment saying private organizations have a right to choose parade participants and charging a higher fee to politicians is a way of discouraging their participation. Sen. Deanna Wiener (DFL-Eagan) successfully offered an oral amendment to the amendment that specifies the parades be public parades only. The amendment as amended was adopted.

Pappas offered the first of several campaign finance amendments increasing the contribution amount from \$500 to \$1,000 that political candidates may accept from aggregate contributions. The amendment was defeated in a 9-52 vote.

Another campaign finance amendment was presented by Sen. Mark Ourada (R-Buffalo). Under the amendment, campaign staff are allowed to charge time worked on individual campaigns to the caucus in a year that is not an election year. Ourada said the provision eliminates tracking minutes spent per day by staff on each candidate's campaign and allows real campaign work to be done. Sen. John Marty (DFL-Roseville) opposed the amendment saying it weakens campaign finance measures. Ourada maintained that the time tracking provision in the bill is untenable. The amendment was adopted in a 41-21 roll call vote.

An amendment offered by Sen. Thomas Neuville (R-Northfield) requires that as a condition of receiving a public subsidy, candidates must agree to ask and answer 20 questions in writing from their opponent. Under the amendment, the questioner has seven days after the primary to ask questions of the opponent and the respondent has seven days subsequent to receipt of questions, to answer. Neuville said the amendment provides more power to candidates over their elections and less power to special interests. Sen. Richard Cohen (DFL-St. Paul) said candidates already have the ability to ask and answer questions without the amendment. Hottinger opposed the provision saying candidates should be working with their caucuses and opponents to set higher campaign standards. "Unless we start to bring integrity to the process there are always ways around it," he said. The amendment was not adopted.

The final campaign finance amendment was offered by Sen. Dave Kleis (R-St. Cloud). The provision restricts candidates who take public money from accepting money from lobbyists and political action committees (PAC's). The amendment was defeated in a 30-34 roll call vote.

Sen. Roger Moe (DFL-Erskine) offered an amendment striking a provision from the bill that grants \$400,000 to the St. Paul Gopher State Ethanol Plant to eliminate odor pollution. Sen. Ellen Anderson (DFL-St. Paul) opposed the amendment, saying a precedent was set for odor elimination funding when feed lots were granted state aid. Sen. Sandra Pappas (DFL-St. Paul) said the city is considering closing down the plant if the problem is not solved. Sen. Randy Kelly (DFL-St. Paul) said the bill specifies that the state only pays one-third of the clean-up costs, which keeps 200 jobs in the city at a time when the economy is in a downturn.

Moe said the plant makes enough money to pay for the cleanup as other plants around the state have had to do. Sen. Charles Berg (R-Chokio) said two ethanol plants in his district will request funding if the funding for the Gopher State plant is approved. The amendment was adopted in a 39-25 roll call vote.

Regarding the bill's provisions related to jobs, Sen. Pat Pariseau (R-Farmington) offered an amendment deleting the bill's \$1 million pilot project for voluntary paid parental leave. The Pariseau amendment redirects the funding toward the family homelessness prevention project. Sen. Ellen Anderson (DFL-St. Paul) said the parental leave program will help families with low or moderate income afford to take time off to be with newborn children. She emphasized that the program is voluntary for employers and will help them retain good employees. Anderson also said that the bill's funding for the homeless represents an increase in that project's funding. The amendment was not adopted by a vote of 25 to 37.

In housing-related debate, Sen. Edward Oliver (R-Deephaven) offered an amendment removing aspects of the bill's inclusionary housing provisions. He said the provisions, even though they are voluntary for developers, represent a mandate on local governments. Sen. Linda Higgins (DFL-Mpls.), Sen. Deanna Wiener (DFL-Eagan) and Sen. Martha Robertson (R-Minnetonka) all spoke in opposition to the amendment, saying that the provi-

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sions, as drafted, give local governments flexibility to work with developers to help make affordable developments more feasible. Sen. Ellen Anderson (DFL-St. Paul) said there needs to be a greater encouragement for involvement because the industry and local governments are not responding to the housing crisis. The Oliver amendment was not adopted. Speaking to a separate provision, Kiscaden asked how much of a burden the bill's visitability requirements place on housing developers. Sen. Julie Sabo (DFL-Mpls.) said the visitability requirements, which allow access for people who come to see the homes, were drafted not to have an major impact on the cost of developing housing.

Sen. Dave Kleis (R-St. Cloud) offered an amendment that removes the \$75 million FY 01 housing appropriation and reduces a number of other appropriations to generate \$24 million in housing from FY 02-03. He said the governor will veto the FY 01 money and leave the bill without any housing money. The amendment was not adopted by a vote of 26-37.

Sen. Michele Bachmann (R-Stillwater) raised an issue related to the workforce development portion of the bill. She offered an amendment deleting new provisions for the Job Skills Partnership Board. She said the changes to the board represent further advances of the failed centralization of state control over the economy. She said the bill creates "the mother of all bureaucracies." Sen. David Johnson (DFL-Bloomington) said the board's efforts to address the specific needs of employers and workers are widely supported around the state. Kinkel said the board forms effective local working relationships between educational institutions and the private sector. The amendment was defeated.

Limmer offered an amendment prohibiting collective bargaining agreements with state employees from extending benefits to anyone other than employees, spouses, children and grandchildren. Neville said the prohibition is necessary to prevent the extension of benefits to same-sex or unmarried couples. The amendment was adopted by a vote of 37-29.

On other aspects of the bill, provisions rescinding partnership agreements in the Attorney General's Office (AGO) were questioned by Sen. Sheila Kiscaden (R-Rochester) and Sen. Leonard Price (DFL-

Woodbury). Price said the partnership agreements should be retained because they provide assurance that departments and agencies will receive adequate support from the AGO. Cohen said the AGO is bound by the same duty to clients that all lawyers are and will continue to represent the interest of all departments and agencies fairly. Price successfully offered an amendment delaying the revocation of the partnership agreements.

Several amendments were added that do not affect the funding in the bill. Sen. Sandra Pappas (DFL-St. Paul) offered an amendment requiring the Office of Strategic and Long Range Planning to develop planning guidelines related to rivers. She also offered an amendment regarding building codes for historic structures. Both of the Pappas amendments were adopted. Sen. David Tomassoni (DFL-Chisholm) successfully added an amendment that allows the Hockey Hall of Fame to raise private funds. An amendment adopted that was offered by Sen. Arlene Lesewski (R-Marshall) specifies that some of the money from an increase in 911 fees be devoted to signage in rural counties.

## HHS omnibus bill tabled

The latter portion of the Mon., Apr. 30, floor session was dominated by debate on the omnibus health, human services and corrections budget bill, S.F. 2361. The measure was tabled after members adopted an amendment requiring a 24-hour waiting period before an abortion. The omnibus bill was tabled on the motion of chief sponsor Sen. Linda Berglin (DFL-Mpls.).

Prior to the motion to lay the bill on the table, Berglin explained the measure and Senators considered numerous other amendments to the bill.

Berglin said the bill provides expanded care for the uninsured, eliminates the four-month waiting period for MinnesotaCare for children and provides additional funds for uncompensated care for hospitals. The measure also eliminates health care premiums for families up to 120 percent of poverty level, reforms long term care provisions, expands Medical Assistance to include mental health rehabilitation services and provides funding to eliminate health disparities in communities of color, she said. Under the bill, the Department of Corrections (DOC) is appropriated \$2.6 million for statewide restorative justice programs that are

eliminated under the administration's proposal and provides \$5 million more than the administration recommends for appropriations to CCA counties. The bill appropriates a total of \$6.73 billion in general fund expenditures for health and human services—the administration's proposal recommends spending \$6.48 billion for the two departments. The bill appropriates almost \$8 billion from all funds, including special revenue, Health Care Access (HCAF), federal Temporary Assistance for Needy Families (TANF) and the lottery cash flow.

Berglin offered several amendments. The amendments included a proposal to fund specified health screening and follow-up services for refugees and immigrants and an amendment to provide oral English proficiency services to individuals seeking access to health care. Another amendment rearranges things, said Berglin, in order to facilitate processing the bill at the end of the session. Members adopted the amendments.

Sen. Sheila Kiscaden (R-Rochester) offered an amendment to specify the child maltreatment content of an annual report published by the Department of Human Services (DHS). Kiscaden also offered an amendment to consolidate a report on child welfare costs related to a single benefit package for all children removed from the care of a parent or guardian by court order. The amendments were adopted.

An amendment aimed at launching a pilot project to develop a small employer alternative benefit plan was offered by Sen. Edward Oliver (R-Deephaven). Berglin said she opposed the amendment because it belongs in another bill. Sen. Becky Lourey (DFL-Kerrick) said that similar provisions stalled in a previous session because the provisions did not cover maternity or mental health coverage. "This is an inappropriate place for this," said Lourey, "It's a Dept. of Commerce amendment." Sen. Linda Scheid (DFL-Brooklyn Park) said, "The idea is to provide coverage for uninsured workers—the amendment does not cover all mandated coverage because not all employees need every type of mandated coverage." Oliver maintained that the amendment was health related and pertinent to the bill. Berglin said there were no provisions in the bill for implementation by Dept. of Commerce. The amendment was not adopted.



*Students from Two Harbors met with Sen. Douglas Johnson (DFL - Tower), far left, and Sen. David Knutson (R - Burnsville) during a recent field trip to the State Capitol.* Photo by Shelley Hawes

An amendment offered by Sen. Michele Bachmann (R-Stillwater) to limit welfare reform extensions sparked debate. Bachmann said the amendment increases the stability of marriages and families by providing motivation for self improvement. She said, "Welfare reform is working—people like having jobs and a hidden benefit [of welfare reform] is that children are performing better at school." Berglin spoke in opposition to the 50 percent noncompliance sanction against an MFIP participant's assistance unit imposed by language in the amendment. Lourey said the MFIP pilot project referred to by Bachmann as a model for the amendment did not provide sanctions as outlined in Bachmann's provisions.

Berglin said, "This amendment takes away extensions for those who just may not have gotten things done on time; less than 1 percent of participants are sanctioned because they quit jobs." The amendment failed on a 26-38 roll call vote.

Sen. Jim Vickerman (DFL-Tracy) offered an amendment specifying that entities receiving special grants for pre-pregnancy family planning services must not use the grant money to provide abortion services. Berglin said she accepted the amendment since the language is no different from what is currently in practice. The amendment was adopted.

An amendment to require that radiation services providers gain approval from the commissioner of health before making a major spending commitment was offered by Sen. Don Samuelson (DFL-Brainerd). The amendment clarifies the prospective review process for radiation therapy facilities. Berglin said she supported the amendment, since it involves very large, expensive equipment, although the proposal was defeated in the division. Sen. Dan Stevens (R-Mora) said he opposes the amendment because it goes after one organization that was under prospective review and which has since

complied with regulations. Stevens said, "The system we have in place works well. The amendment puts everyone under prospective review, making everyone jump through hoops because of one violation." Others argued that the issue should not involve new legislation because it emanated out of a rivalry between two providers. The amendment was not adopted.

Sen. Dan Stevens (R-Mora) offered an amendment increasing funding for rural hospital capital improvement grants. Berglin said she opposed taking money from HCAF for funding the grants. "We don't need to pit children against rural hospitals," she said. The amendment failed on a 27-38 roll call vote.

A second amendment related to family planning was offered by Sen. Thomas Neuville (R-Northfield). The amendment changes how money for family planning services is distributed to cities, counties or tribal governments and

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specifies that family planning services do not include services that, directly or indirectly, encourage, counsel, refer, or provide abortions or abortion referrals. Berglin said she opposed the amendment because counties are subject to federal law and may be providing services prescribed at the federal level that could be interpreted as indirectly related to abortions. Berglin said the amendment disallows the provision of any family planning services at all and that the amendment, if adopted, would have a very detrimental effect on family planning efforts in Minnesota. The amendment failed to gain approval on a 32-34 roll call vote.

Sen. Richard Cohen (DFL-St. Paul) offered an amendment, which was adopted, to appropriate \$10,000 for providing travel and lodging expenses for members of the clergy for imparting religious rites or instruction at correctional facilities.

Sen. Warren Limmer (R-Maple Grove) said he was concerned about the possibility of clergy proselytizing to other inmates while receiving reimbursement by the state. Cohen said the amendment merely allows clergy to impart religious rights and philosophy to religious members, upon request. The amendment was adopted on a 62-1 roll call vote.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment to raise the amount of grant program funding, from \$300,000 to \$1 million, to assist small rural hospitals for remodeling and updating facilities costs. The amendment was adopted.

A deaf/blind services study was the issue addressed in an amendment offered by Kiscaden. The amendment requires that DHS lead an interagency workgroup to study how the state can efficiently use appropriations to provide services for deaf/blind children, adults and their families and how to streamline the service delivery system. Kiscaden said that parents of deaf/blind children and the children themselves would be included in the study group. The amendment was adopted.

Neuville also offered an amendment to provide \$300,000 for grants to county or community-based organizations for the purpose of purchasing and placing cemetery monuments or memorial monuments on graves of former residents buried at state regional treatment centers. The amendment changes language that was originally contained in a bill by Sen.

Twyla Ring (DFL-North Branch), that specified that 20 percent of the appropriation be used for administrative costs. Under the amendment, grant recipients must include family members of deceased residents of the regional center, members of local service or charitable organizations, members of the local Chamber of Commerce and former employees of the regional centers. If there is not a community-based organization available, grants must be provided to a consumer-run disability rights organization located in St. Paul for purposes of placing names on the graves. The amendment failed on a 29-36 vote.

Limmer offered an amendment providing that patient or parent/guardian consent is required prior to entry of identifying, demographic or immunization data on registries of immunization. Berglin opposed the amendment on the grounds that it would cost \$5 million to implement. The amendment failed on a 15-50 vote.

Another amendment, offered by Limmer, deletes language in the bill that allows public authorities to require financial institutions to provide identifying information of all account holders in order to compare the list against a list of child support obligors. Limmer said he thought providing authorities with information about every account held was "overdoing it a bit." Sen. Leo Foley (DFL-Coon Rapids) said he authored a bill with similar provisions, except that his version provided a bonus to financial institutions for helping child support programs.

Sen. Bob Kierlin (R-Winona) spoke in support of the Limmer amendment. Berglin said the amendment puts the state in violation of federal regulation due to standards that must be observed when interacting with federal financial institutions. Foley said he brought his bill forward at the request of DHS, when he was informed that the language was needed in order to comply with federal regulations. The amendment was adopted on a 42-23 vote.

Lourey offered an amendment to require that safe drinking water standards be adopted to protect children as well as adults. Lourey said the health department should move away from measurement based on the weight of adults. The amendment is compatible with federal standards, she said. Members adopted the amendment.

An amendment was offered by Sen. Claire Robling (R-Prior Lake) to lower the dollar amount charged by counties for sending juveniles to the Red Wing Correctional Facility. Under the amendment, counties pay only 65 percent of the cost. Robling said facilities must stand on their own and compete with private facilities. Sen. Steve Murphy (DFL-Red Wing) spoke in opposition to the amendment. Murphy said private facilities can afford to be selective and may refuse the more hardened offenders that require more services, resulting in lower costs. "Red Wing is mandated to accept whoever is sent to them," he said. Murphy said the state/county cost split was established to keep juveniles from being sent out of state away from their families.

Ranum said she also opposed the amendment, which, she said, "Takes us back to the time when kids were being sent out of state. Ramsey County used out-of-state placement a lot and sent juveniles to very expensive facilities." The amendment was not adopted.

## Abortion waiting period debated

Much of the balance of the debate on the omnibus health, human services and corrections bill centered on an amendment offered by Sen. Michelle Fischbach (R-Paynesville). Fischbach called her amendment "the women's right to know bill." She told members, "This is the right thing to do—we need to provide information to women." Under the amendment, a 24-hour delay is imposed before performing an abortion and abortions may not be performed without the informed consent of the female upon whom the procedure is to be performed. The amendment requires that the name of the physician, a registered nurse or licensed practical nurse be provided at least 24 hours prior to the abortion.

Information concerning the medical risks associated with the procedure, the probable gestational age of the fetus at the time of the abortion and the Medical Assistance benefits that may be available for prenatal, childbirth and neonatal care must also be provided under the amendment. Other informational materials are specified in the amendment. Additionally, women must be informed that the father is liable to assist in the support of the child.

Berglin questioned whether the amendment was germane. Sen. Don Betzold (DFL-Fridley) said the amendment



fails the germaneness test because the purpose of the bill does not address issues of informed consent or abortion. The President of the Senate ruled that the amendment was germane. Berglin then appealed the decision of the President. Membership voted to sustain the decision on a 38-29 roll call vote.

Fischbach moved to amend the amendment by reducing by \$172,000 in FY 2002 and by \$184,000 in FY 2003 the general fund appropriation for electronic government services and transferring the appropriations to fund her amendment. The amendment to the amendment was adopted.

Berglin challenged the amendment under Rule 7, which states that after the adoption of a budget resolution by the Senate or the Finance Committee, an amendment to a bill is out of order if it would cause any of the limits specified in either resolution to be exceeded. Sen. Mark Ourada (R-Buffalo) said since the amendment spends less than the bill limits, it is within the rule. Berglin said, "No, it spends more because it is irrelevant to the bill's program."

Fischbach offered an oral amendment to the original amendment that reduced the appropriation so the amendment would be balanced. The oral amendment was adopted on a roll call 34-33 vote.

Sen. Dean Johnson (R-Willmar) said, "The governor said he would veto this bill if the informed consent provision is included. This bill represents many important health issues, are you willing to put all the funding for long-term care in jeopardy this session?"

Sen. Roger Moe (DFL-Erskine) said, "I think the point raised is legitimate—the issue of jeopardizing a substantial budget bill. We run the risk of having it lost if we add this very controversial amendment." Moe requested that rather than create a risk for the health budget bill, the amendment be placed in another bill.

Sen. Douglas Johnson (DFL-Tower) said, "The Senate has the right to make decisions independent of what one person on the first floor says."

Sen. Jane Ranum (DFL-Mpls.) argued against the amendment. She said the proposal insults women, because the state already has informed consent requirements. Sen. Deanna Wiener (DFL-Eagan) echoed Ranum's comments and said, "It is another barrier to a woman's reproductive rights."

Fischbach countered that the amendment allows women to make a life-changing decision with all the information available to assist her.

Sen. Sheila Kiscaden (R-Rochester) asked if the amendment, in outlining the information that must be provided, allows for a situation in which the information could be tailored to a woman's circumstance.

Fischbach said that the measure provides an exception to providing the information in emergency situations.

Wiener offered an amendment to delete language describing methods of abortion by drug or medicine. She said the taking of medications removes the procedure from the doctors' office and that with other advances in medicine the language is not needed. The amendment failed on a 33-34 roll call vote.

Sen. Martha Robertson (R-Minnetonka) offered an amendment to provide that if a woman certifies she has viewed the web site specified in the bill, the information requirements are met under the amendment. Robertson's amendment failed on a 33-34 roll call vote.

Ranum offered an amendment to delete language requiring the woman be informed that the father may be required to provide support. She said that real life situations such as rape or incest make such a provision untenable. The amendment was adopted on a 34-33 roll call vote.

An amendment, offered by Kiscaden, providing that in cases of miscarriage or fetal death, a woman not be required to view the materials required by the Fischbach amendment. The amendment failed 33-34.

A second amendment, offered by Wiener, removed language relating to the word "attempt" in the performance of the abortion procedure. Wiener said that prior to 1973 criminal laws used similar language and that under the language, a doctor or nurse providing genetic counseling could be charged for reporting a fetal anomaly. The amendment failed 33-34.

Finally, Sen. Twyla Ring (DFL-Forest Lake) offered an amendment removing the penalties contained in the Fischbach amendment. The Ring amendment failed 33-34.

The Fischbach amendment was adopted on a 36-31 roll call vote. Berglin then moved to table the bill.

## Tuesday, May 1

### State gov bill reconsidered

During the first portion of the Tues., May 1, floor session, Senators reconsidered the state government, economic development and judiciary finance omnibus bill.

Sen. Richard Cohen (DFL-St. Paul), author of the bill, requested that provisions in the measure concerning collective bargaining agreements be reexamined. He offered an amendment that negates the effect of a previous amendment offered by Sen. Warren Limmer (R-Maple Grove) adopted Mon., Apr. 30. Limmer's amendment prohibits state employees' collective bargaining agreements from providing state benefits to anyone other than state employees, an employee's spouse, dependent child or grandchild.

Cohen said that the governor holds the responsibility of negotiating collective bargaining agreements, and the Legislature should not interfere with the process. Sen. David Johnson (DFL-Bloomington) said the governor is an efficient negotiator. He said in the last 11 years the governor has never failed to settle a contract.

Limmer said the Legislature meddles with contracts all the time. He noted current statutes that address state employee bargaining activities. Cohen said the law sets the parameters and procedures of agreement making, but does not affect the content of contracts. The Senate adopted Cohen's amendment on a 36-31 vote.

Sen. Thomas Neuville (R-Northfield) presented two amendments, which he said were efforts to maintain the current separation of powers in ways similar to Cohen's amendment. The first amendment states that money recovered by a state official in litigation or through a legal settlement must be deposited in the general fund.

"The appropriation of state money is uniquely the Legislature's responsibility, not the attorney general's," said Neuville. The provision contains an exemption that allows the state to give recovered money to persons or entities other than the state if the litigation is pursued on their behalf. Sen. Leo Foley (DFL-Coon Rapids) offered an amendment that deletes language in Neuville's amendment that applies the provision notwithstanding any law to the contrary. The Senators adopted Foley's amendment to the amendment, but defeated Neuville's amendment, as amended, on a 30-36 vote.

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Neuville's second amendment allows the attorney general to retain private lawyers and requires the lawyers to be paid with funds from the attorney general's legislatively appropriated budget. Under the provision, if private attorney fees are recovered in any legal action, the money is deposited into the state treasury. Cohen said the amendment needs to be heard by policy committees and a full discussion had on the matter. The Senate defeated the amendment, 30-36.

On a 44-22 vote, the Senate granted the state government, economic development and judiciary omnibus bill, S.F. 2360, final passage.

Members also considered a number of bills on Special Orders. The Senate gave final passage to the omnibus data practices bill. The bill broadens the scope of the Government Data Practices Act to include towns where more than 1,200 people reside in platted areas or towns with a platted area within 20 miles of the city hall of a city of the first class having over 200,000 population. The bill also repeals the statutory administrative remedies for resolution of disputes under the act.

The measure, S.F. 1068, clarifies the authority of the commissioner of administration in issuing opinions on data practices. Under the measure, a person who acts in compliance with written opinions of the commissioner are not liable.

Several provisions in the bill change the classification of certain types of data including information collected by cities for economic development reasons, applications for self-insurance, data on EDVEST participants and medical information collected for occupational safety health inspections.

Sen. Don Betzold (DFL-Fridley), author of the bill, offered an amendment that classifies certificates of military discharge filed with the county recorder after Jan. 2001 as private data on individuals. Betzold said the effective date is needed because past records are stored on microfiche and eliminating social security numbers on filmed certificates is prohibitively time consuming. The amendment was adopted and the omnibus bill was passed, 55-1.

Betzold also presented a measure that reforms several aspects of rule making procedures. The bill, S.F. 555, allows policy committees in both bodies to stop the progress of a rule. The bill also clarifies the governor's authority to veto rules. S.F.

555 also repeals obsolete laws and accomplishes other streamlining measures. Sen. Dan Stevens (R-Mora) proposed an amendment that adds comfort language by prohibiting rules from prejudicing economic rights; the original bill only disallowed rules from prejudicing legal rights. The amendment was adopted and the bill was passed 59-0.

The members also unanimously adopted a bill that sets regulations for assisted living home care and housing that provide services for Alzheimer's patients. Foley, the bill's sponsor, said the measure requires living assistance businesses to disclose how they care for clients that have Alzheimer's by providing information on the center's philosophy, qualifications, and facilities.

Sen. Sam Solon (DFL-Duluth) carried the omnibus liquor license bill, which extends the right to sell liquor to several businesses and communities. Many Senators offered amendments that gave liquor licenses to additional establishments. Sen. Jim Vickerman (DFL-Tracy) suggested changing the bill to allow organizations or political committees to apply for multiple temporary liquor licenses in the same month. Under the amendment, no more than 12 one-day licenses can be granted to an organization in one year. The bill was amended as Vickerman proposed.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment that allows the city of Minneapolis to grant a liquor license to a bar on Nicollet Avenue. She said the provision, which was adopted, is needed to keep a certain bar in business after the zoning rules were changed in the city.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment, which was accepted, that exempts the Metropolitan State University from certain restrictions on liquor sales.

Sen. Sandra Pappas (DFL-St. Paul) said the bill should recognize brew clubs. She said the small brewing businesses are a great economic development opportunity for rural Minnesota. The amendment she offered allows brewers who hold on-sale liquor licenses to be issued a license for off-sale of malt liquor produced at the licensed location at the rate of one-gallon per patron. Solon said giving the clubs special licenses is a slippery slope and soon the clubs will want permission for unlimited sales. Pappas' amendment was defeated.

Sen. Becky Lourey (DFL-Kerrick) sponsored a measure, S.F. 121, that modifies the procedure for a county splitting. She said the process needs to be updated. The bill amends the law to require both parts of the county to authorize the split. The measure also amends current law, which states that the governor appoint commissioners for the new county, to require an election for the county commissioners. The Senators passed the bill 59-2.

A bill carried by Sen. Sheila Kiscaden (R-Rochester) updates child welfare laws to incorporate new federal regulations. The measure, S.F. 1394, changes policies involving children in Native American tribes, the reporting of misconduct by students and school, and data privacy provisions. The bill passed 59-0.

Sen. John Marty (DFL-Roseville) presented a bill, S.F. 1324, that amends training requirements for armed detectives and private agents. The measure states that detectives and agents with firearms must have training in first aid and the proper use of, and the risks and dangers arising from, the use of firearms. The bill was passed 60-0. Marty also sponsored S.F. 1144, which adds a definition of "alcohol by volume" and "alcohol by weight" to DWI laws. The Senators gave passage to the bill 54-0.

A measure, H.F. 489, that prohibits the state or a political subdivision from forcing a contractor to buy surety bonds from a particular insurance or surety business was also considered. The bill does not disallow the state from requiring certain features in a surety bond or setting a minimum amount of coverage, said Sen. Linda Scheid (DFL-Brooklyn Park), author of the bill. The measure was passed by the Senate with a 58-0 vote.

Sen. Chuck Fowler (DFL-Fairmont) sponsored S.F. 761, which specifies that the membership of all administrative boards or agencies, under the bill, must reflect as nearly as possible the proportion of metropolitan and rural residents in the state. Sen. Martha Robertson (R-Minnetonka) said the bill is not needed because people already go out of their way to have representative boards. Limmer asked if board memberships have to be proportional if the group deals with regional issues, such as agriculture. "Does the statewide agriculture board have to have 60 percent of representatives from the Metro Area?" he asked. Fowler said there is nothing in the bill that requires a

certain percentage on any board. The bill was passed 52-9.

Sen. Steve Murphy (DFL-Red Wing) presented a bill that permits horse trailer dealers and recreational vehicle businesses to set up temporary businesses outside the counties where they have licenses. Murphy offered an amendment, which was adopted, that creates an exemption for sales made at county or state fairs. The bill, S.F. 1666, was granted final passage on a 57-0 vote.

## Wednesday, May 2

### Variety of bills considered

In addition to acting on the capital bonding bill, Members granted final passage to bills ranging from the regulation of dangerous dogs to public works contracts.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 221, a bill modifying regulations for dangerous dogs. Pappas said the measure seeks to strike a balance between safety and the rights of dog owners while providing more accountability. She also said the bill provides small cities without a dog ordinance an avenue of enforcement.

An amendment to the bill was offered by Sen. Don Betzold (DFL-Fridley) that aligns language in all bills relating to dogs and broadens the term of service dog. Pappas said she favored the amendment and it was adopted.

Sen. Linda Higgins (DFL-Minneapolis) offered another amendment to Pappas' bill that provides local units of government with the authority to regulate dogs based on breed. She said there are several types of dogs that are consistently attacking children. Sen. Linda Scheid (DFL-Brooklyn Park) and Sen. Dennis Frederickson (R-New Ulm) opposed the amendment on the basis that experts have shown that dog owners are responsible for their dog's behavior. The amendment was defeated.

Sen. Steve Dille (R-Dassel) presented a third amendment that gives owners of dangerous dogs an opportunity to have dogs re-designated six months after an attack occurs if owners can demonstrate a change in the dog's behavior. The amendment was adopted. S.F. 221 was given final passage.

Pappas also presented S.F. 2225, a bill allowing personnel of school district child

care centers and Head Start centers, who have a Class D drivers license, to operate a bus or van that normally requires a Class A license. The measure allows personnel to transport no more than 15 children in a van or bus that has an "Activity" signage designation in place of the "School" signage. Members granted the measure final passage.

Sen. Leo Foley (DFL-Coon Rapids) carried S.F. 1208, a bill making numerous changes to DWI laws. Foley offered an amendment lowering the per se blood alcohol level from .1 to .08. Foley said that if the amendment is not adopted, the state loses federal incentive money and incurs significant fiscal penalties. Sen. Martha Robertson (R-Minnetonka) opposed the amendment on grounds that there was no fiscal note describing the fiscal impact of the amendment. The President of the Senate, Sen. Don Samuelson (DFL-Brainerd), ruled the amendment was out of order because there was no fiscal note with the bill. Foley moved to lay the bill on the table.

Sen. David Knutson (R-Burnsville) presented S.F. 1944, a measure modifying provisions for nonsupport of a spouse or child. The bill provides that a person who fails to pay court-ordered child support or maintenance may be charged with a crime, including misdemeanor, gross misdemeanor, or felony charges. Penalties, procedures and defense provisions are outlined in the bill.

Sen. Thomas Neville (R-Northfield) offered an amendment to allow that a limited license may be issued to a person whose license has been suspended for being in arrears in court-ordered child support payments. Neville said the amendment was important on two points: it allows an obligor the means of getting to work and the means of visiting the child or children. Knutson argued that the law already provided ample leniency for obligors. The amendment was not adopted.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment to delete the maintenance portion of the measure, adding, "Child support actually isn't high enough." Murphy said the automatic cost of living increases are based on the consumer price index, which is unfair. When the cost of living goes up, an obligor is ordered to pay more and more of actual pay for maintenance, he said. The amendment splits the amount of an

obligor's raise between obligor and obligee so that both parties receive half of the pay increase, said Murphy.

Sen. Jane Ranum (DFL-Mpls.) said there is flexibility built into the bill, allowing the obligor to contest a cost-of-living increase determination by the court. Maintenance is designed for the spouse who stayed at home and remained out of the workforce, she said.

Murphy told members that there were many cases in which both spouses worked.

Sen. Linda Berglin (DFL-Mpls.) said there were problems with language in the amendment and urged that it be withdrawn. The amendment was not adopted and Knutson laid the bill on the table in order to assess the fiscal impact.

Knutson then offered S.F. 2031, a bill addressing public works contracts. A provision voids any clause in a public works contract that waives the rights of a contractor seeking recovery for costs or damages for delays or disruptions that are caused by the acts of the contracting public entity. Knutson said mediation between parties was a preferable recourse in resolving project delays. The bill passed on a 61-0 vote.

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"A Building for All..." can be purchased for \$5 per CD (both PC and Mac versions on one disc) or borrowed at no cost by contacting Senate Media Services at (651) 296-0264.

# Chapters

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**Chap. 001, S.F. 28\*-Hottinger, H.F. 34-Seifert:** Requiring the Board of Teaching upon request to issue teacher licenses to candidates completing accredited teacher preparation programs under current licensure rules. Signed by governor: 01/16/01. Effective date: 01/17/01.

**Chap. 002, S.F. 460-Cohen, H.F. 421\*-McElroy:** Authorizing federal energy assistance program fund expenditure. Signed by governor: 02/02/01. Effective date: 02/03/01.

**Chap. 003, S.F. 201\*-Sams, H.F. 213-Mulder:** Repealing requirements for physicians assistants infection control continuing education. Signed by governor: 02/15/01. Effective date: 02/16/01.

**Chap. 004, S.F. 43\*-Samuelson, H.F. 181-Wenzel:** Reducing the age requirement for adult foster care license capacity and authorizing the commissioner of human services to grant variances to allow providers to admit individuals under the minimum age under certain county recommendation conditions. Signed by governor: 02/28/01. Effective date: 03/01/01.

**Chap. 005, S.F. 376\*-Vickerman, H.F. 817-Howes:** Increasing the monetary limits on city local improvement contracts required to be advertised for bids and on day labor projects, specifying a separate contract bid limit for cities under a certain size. Signed by governor: 03/02/01. Effective date: 03/03/01.

**Chap. 006, S.F. 47-Dille, H.F. 106\*-Ness:** Authorizing ex officio members of the Minnesota Agriculture Education Leadership Council to designate permanent or temporary replacement members representing the same constituency and extending the expiration date of the council. Signed by governor: 03/08/01. Effective date: 03/09/01.

**Chap. 007, S.F. 231-Betzold, H.F. 656\*-Lipman:** Correcting erroneous, ambiguous and omitted text and obsolete references and eliminating certain redundant, conflicting and superseded provisions. Signed by governor: 03/15/01. Effective date: Various.

**Chap. 008, S.F. 79-Johnson, Debbie, H.F. 80\*-Hackbarth:** Providing for Coon Lake water level control. Signed by governor: 03/16/01. Effective date: 03/17/01.

**Chap. 009, S.F. 155-Kelly, R.C., H.F. 393\*-Mahoney:** Allowing employees of Ramsey County and the city of St. Paul equal competition for vacant county jobs in city-county departments. Signed by governor: 03/16/01. Effective date: 03/17/01.

**Chap. 010, S.F. 289\*-Sams, H.F. 357-Mullery:** Modifying licensing requirements for alcohol and drug counselors. Signed by governor: 03/16/01. Effective date: 03/17/01.

**Chap. 011, S.F. 433\*-Ring, H.F. 487-Vandever:** Increasing the amount for which a township may contract for health, social and recreational services. Signed by governor: 03/21/01. Effective date: 08/01/01.

**Chap. 012, S.F. 399-Solon, H.F. 320\*-Davids:** Providing for property casualty insurance agents surplus lines insurance procurement authority. Signed by governor: 03/29/01. Effective date: 03/30/01.

**Chap. 013, S.F. 509\*-Robling, H.F. 1016-Holberg:** Authorizing cities and counties to make and accept payments with credit cards and electronic funds transfers. Signed by governor: 04/06/01. Effective date: Various.

**Chap. 014, S.F. 63\*-Fischbach, H.F. 368-Stang:** Designates trunk highway 55 in Stearns County as Old St. Anne's Pass. Signed by governor: 04/06/01. Effective date: 08/01/01.

**Chap. 015, S.F. 346\*-Betzold, H.F. 243-Dawkins:** Modifies the Uniform Principal and Income Act. Signed by governor: 04/06/01. Effective date: 08/01/01.

**Chap. 016, S.F. 756-Kelly, R.C., H.F. 556\*-Stanek:** Authorizing federal law enforcement officers power of arrest in Minnesota. Signed by governor: 04/09/01. Effective date: 08/01/01.

**Chap. 017, S.F. 400\*-Kierlin, H.F. 416-Rifenberg:** Allowing the town of Hokah to vacate a town road. Signed by governor: 04/09/01. Effective date: 04/10/01.

**Chap. 018, S.F. 991\*-Kelly, R.C., H.F. 1046-Clark, J.:** Providing for school notification of student possession of drug paraphernalia Signed by governor: 04/11/01. Effective date: 08/01/01.

**Chap. 019, S.F. 9\*-Wiger, H.F. 172-Mares:** Authorizing cities to provide housing assistance for volunteer firefighters or ambulance personnel. Signed by governor: 04/11/01. Effective date: 04/12/01.

**Chap. 020, S.F. 971\*-Kelly, R.C., H.F. 64-McElroy:** Repealing the law prohibiting itinerant carnivals. Signed by governor: 04/11/01. Effective date: 08/01/01.

**Chap. 021, S.F. 327\*-Lesewski, H.F. 394-Seifert:** Repealing a provision about male animals or breachy cattle roaming at large. Signed by governor: 04/11/01. Effective date: 08/01/01.

**Chap. 022, S.F. 972\*-Kelly, R.C., H.F. 466-McElroy:** Repealing the law prohibiting endurance contests. Signed by governor: 04/11/01. Effective date: 08/01/01.

**Chap. 023, S.F. 570\*-Reiter, H.F. 252-Seifert:** Repealing obsolete rules. Signed by governor: 04/11/01. Effective date: 08/01/01.

**Chap. 024, S.F. 480\*-Johnson, Dean, H.F. 37-McElroy:** Repealing obsolete traffic regulations. Signed by governor: 04/13/01. Effective date: 08/01/01.

**Chap. 025, S.F. 27-Robling, H.F. 57\*-Molnau:** Including crimes against children as disqualifying offenses for school bus drivers' licenses. Signed by governor: 04/13/01. Effective date: 06/01/01.

**Chap. 026, S.F. 225\*-Johnson, Dean, H.F. 245-Juhnke:** Allowing licensed peace officers to determine necessity of patient restraints. Signed by governor: 04/13/01. Effective date: 08/01/01.

**Chap. 027, S.F. 702\*-Scheevel, H.F. 790-Davids:** Modifying the requirements for the Bluffland trail system. Signed by governor: 04/13/01. Effective date: 08/01/01.

**Chap. 028, S.F. 1204\*-Hottinger, H.F. 1951-Goodno:** Regulating the use of HIV and bloodborne pathogen tests. Signed by governor: 04/13/01. Effective date: 04/14/01.

**Chap. 029, S.F. 883\*-Hottinger, H.F. 994-Dorn:** Establishing a hospital waiver or variance request procedure. Signed by governor: 04/13/01. Effective date: 08/01/01.

**Chap. 030, S.F. 39-Johnson, Douglas, H.F. 47\*-Rukavina:** Requiring maintenance of closed iron mines and extending unemployment benefits to laid off LTV employees. Signed by governor: 04/11/01. Effective date: Retroactive: 08/01/00.

**Chap. 031, S.F. 274\*-Higgins, H.F. 116-Mulder:** Delaying the sunset for the Respiratory Care Practitioner Advisory Council and

providing that athletic trainer registrations are cancelled for nonrenewal after two years. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 032, S.F. 283\*-Kinkel, H.F. 501-Ozment:** Preventing the use of conservation officer enforcement activity comparisons in performance evaluations. Signed by governor: 04/24/01. Effective date: 04/25/01.

**Chap. 033, S.F. 1435\*-Price, H.F. 1455-Osskopp:** Modifies provisions relation to the Designer Selection Board. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 034, S.F. 319\*-Moe, R.D., H.F. 453-Skoe:** Regulating discharge of judgements against bankruptcy debtors. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 035, S.F. 456\*-Berglin, H.F. 424-Greiling:** Providing access to respite care in intermediate care facilities for persons with mental retardation or related conditions (ICF/MR) for recipients of services under the (MA) community based waiver and requiring county agency screening. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 036, S.F. 210-Foley, H.F. 275\*-Abeler:** Prohibiting the projection of medical assistance (MA) cost savings from closure of nursing facilities located in certain counties with a low ratio of nursing facility beds to county residents over a certain age. Signed by governor: 04/24/01. Effective date: 04/25/01.

**Chap. 037, S.F. 104-Larson, H.F. 125\*-Nornes:** Modifying dentist licensure requirements for applicants trained in a foreign country. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 038, S.F. 771-Kierlin, H.F. 949\*-Rifenburg:** Allowing for a smaller newspaper to serve as the qualified newspaper for smaller communities. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 039, S.F. 142\*-Higgins, H.F. 387-Walker:** Increasing the membership of the State Council on Black Minnesotans. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 040, S.F. 741\*-Orfield, H.F. 828-Mullery:** Providing for disaster volunteer leave for Hennepin County employees serving as volunteers with emergency disaster services organizations. Signed by governor: 04/24/01. Effective date: Local approval.

**Chap. 041, S.F. 1780\*-Lessard, H.F. 1747-Solberg:** Extending the exemption from laws or rules governing the delivery of local government services granted by the Board of Government Innovation and Cooperation to Itasca County for a chemical dependency treatment demonstration project. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 042, S.F. 1460\*-Marty, H.F. 1634-Mahoney:** Applying the duty to warn law of violent client behavior to social workers and allowing social workers to form and participate in professional firms. Signed by governor: 04/24/01. Effective date: 08/01/01.

**Chap. 043, S.F. 1709\*-Johnson, Dean, H.F. 1404-Kuisle:** Exempting towed implements of husbandry from the tail lamp requirement. Signed by governor: 04/24/01. Effective date: 04/25/01.

**Chap. 044, S.F. 646-Rest, H.F. 867\*-Seagren:** Modifying and clarifying provisions relating to the Suburban Hennepin County Regional Park District. Signed by governor: 04/24/01. Effective date: 04/25/01.

**Chap. 045, S.F. 1915-Rest, H.F. 2119\*-Erickson:** Modifying charitable organization report filing requirements. Signed by governor: 04/24/01. Effective date: 04/25/01.

**Chap. 046, S.F. 249\*-Ring, H.F. 253-Seifert:** Repealing obsolete health and human services rules. Signed by governor: 04/26/01. Effective date: 08/01/01.

**Chap. 047, S.F. 70-Marty, H.F. 274\*-Dorman:** Restricting sales of mercury thermometer sales. Signed by governor: 04/26/01. Effective date: 01/01/02.

**Chap. 048, S.F. 914-Hottinger, H.F. 323\*-Haas:** Removing the expiration date of the provision requiring motor vehicle fuel franchisors to offer franchisees transfer rights in change in ownership cases. Signed by governor: 04/26/01. Effective date: 04/27/01.

**Chap. 049, S.F. 1127-Sams, H.F. 1160\*-Davids:** Reducing the frequency requirement for physician review of delegated physician assistants drug and medical device prescription activities. Signed by governor: 04/26/01. Effective date: 08/01/01.

**Chap. 050, S.F. 170-Neuville, H.F. 239\*-Lipman:** Modifying numerous real estate provisions. Signed by governor: 04/26/01. Effective date: Various.

**Chap. 051, S.F. 1332-Kiscaden, H.F. 1260\*-Dawkins:** Neutralizing terminology in child support and custody provisions. Signed by governor: 04/26/01. Effective date: 08/01/01.

**Chap. 052, S.F. 1419\*-Scheid, H.F. 1467-Holberg:** Modifying certain requirements for notices of claims on payment bonds by persons furnishing labor and materials. Signed by governor: 04/26/01. Effective date: 08/01/01.

**Chap. 053, S.F. 1790-Robling, H.F. 1637\*-Buesgens:** Repealing provisions requiring hawkers and peddlers to obtain a license. Signed by governor: 04/30/01. Effective date: 08/01/01.

**Chap. 054, S.F. 505-Higgins, H.F. 149\*-Pawlenty:** Regulating the sale and labeling of Halaal food, meat or poultry products. Signed by governor: 04/30/01. Effective date: 08/01/01.

**Chap. 055, S.F. 857-Samuelson, H.F. 1159\*-Pawlenty:** Modifying prior funding for Gillette Children's Hospital addition and local bridge replacement and rehabilitation. Signed by governor: 04/30/01. Effective date: 05/01/01.

**Chap. 056, S.F. 1066-Metzen, H.F. 1084\*-McElroy:** Omnibus banking and financial institutions bill. Signed by governor: 04/30/01. Effective date: Various.

**Chap. 057, S.F. 339-Murphy, H.F. 285\*-Ness:** Modifying and consolidating agricultural liens regulation provisions. Signed by governor: 04/20/01. Effective date: 07/01/01.

**Chap. 058, S.F. 954-Hottinger, H.F. 550\*-Eastlund:** Creating a trust status for funds in the higher education Edvest savings program and extending the time limit for HESO to publish a notice of intent to adopt or a notice of hearing for rules implementing the program. Signed by governor: Vetoed.

**Chap. 059, S.F. 1214-Tomassoni, H.F. 995\*-Buesgens:** Modifying provisions relating to horse racing license application procedures and increasing the amount of nonsteroidal anti-inflammatory drugs allowed to be administered to race horses. Signed by governor: 04/30/01. Effective date: 05/01/01.

**Chap. 060, S.F. 1598-Schwab, H.F. 1383\*-Workman:** Repealing motorcycle handlebar height restrictions. Signed by governor: 04/30/01. Effective date: 08/01/01.

# Chapters

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**Chap. 061, S.F. 1604-Wiener, H.F. 525\*-McElroy:** Modifying conditions for state or public employee receipt of daily pay for service on administrative boards and agencies. Signed by governor: 04/30/01. Effective date: 07/01/01.

**Chap. 062, S.F. 823-Betzold, H.F. 779\*-McElroy:** Modifying motor vehicle dealer franchise transfer practices. Signed by governor: 04/30/01. Effective date: 08/01/01.

**Chap. 063, S.F. 1678-Rest, H.F. 1219\*-Gunther:** Eliminating state involvement in the State Fund Mutual insurance Company created to insure employers against liability for personal injuries entitling employees to workers compensation benefits. Signed by governor: 04/30/01. Effective date: 05/01/01.

**Chap. 064, S.F. 1831-Ranum, H.F. 1889\*-Lipman:** Regulating Uniform Partnership Act of 1994 transition issues. Signed by governor: 04/30/01. Effective date: Various.

**Chap. 065, S.F. 876-Lesewski, H.F. 967\*-Mulder:** Allowing schools to sponsor potluck events. Signed by governor: 05/01/01. Effective date: 08/01/01.

**Chap. 066, S.F. 1187-Kelley, S.P., H.F. 1151\*-Mulder:** Modifies penalty provisions for psychologists. Signed by governor: 05/02/01. Effective date: 08/01/01.

**Chap. 067, S.F. 1045-Vickerman, H.F. 1188\*-Gunther:** Regulating the disposal of ash from fire training exercises. Signed by governor: 05/02/01. Effective date: 05/03/01.

**Chap. 068, S.F. 1979-Foley, H.F. 1192\*-Abeler:** Requiring the board of teaching to accept applications for temporary limited teaching licenses and personnel variances by July 1 before the start of the school year. Signed by governor: 05/02/01. Effective date: 05/03/01.

**Chap. 069, S.F. 1421-Stevens, H.F. 1522\*-Bradley:** Modifying full-time nursing home administrator requirements. Signed by governor: 05/02/01. Effective date: 08/01/01.

**Chap. 070, S.F. 1622-Sabo, H.F. 1681\*-Dehler:** Making housekeeping changes in provisions relating to state employment and extending a civil service pilot project. Signed by governor: 05/02/01. Effective date: Various.

# Preview

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## Monday, May 7

**The Senate will be in session at 10 a.m.**

### Finance Committee

*Chair: Sen. Douglas J. Johnson*

1 p.m. or after session Room 123 Capitol

**Agenda:** S.F. 1481-Lessard: Shooting sports program development and operation grant appropriation. S.F. 1908-Cohen: Nursing facilities Medical Assistance payment rates computation raw food costs adjustment exclusion. S.F. 2170-Sabo: Metropolitan Airports Commission Coldwater Springs land acquisition. S.F. 451-Pogemiller: Omnibus pension bill. S.F. 829-Murphy: Motor vehicle registration transactions filing fee increase. S.F. 1541-Oliver: Commerce Department provisions modifications. S.F. 765-Hottinger: Fair Drug Pricing Act. S.F. 648-Kelly, R.C.: Payment of various claims against the state. S.F. 264-Johnson, David: DWI felony level offense. S.F. 619-Ranum: Expanding the definition of domestic abuse; requiring additional findings before pretrial release of a defendant accused of domestic abuse. S.F. 1485-Kelley, S.P.: Providing for the licensing of money transmitters.

## Tuesday, May 8

**The Senate will be in session at 9 a.m.**

## State Government, Economic Development and the Judiciary Budget Division

*Chair: Sen. Richard Cohen*

8 p.m. Room 107 Capitol

**Agenda:** To be announced.

## Wednesday, May 9

**The Senate will be in session at 9 a.m.**

## Thursday, May 10

**The Senate will be in session at 9 a.m.**

## Friday, May 11

**The Senate will be in session at 9 a.m.**

### Editor's Note:

We anticipate that conference committees on the major budget bills will meet throughout the week. Meetings of the Committees on Rules and Administration, Finance and Taxes may also occur. At press time, no meetings had been scheduled.

# Floor action

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## Friday, April 27

### Appointment confirmations

Shirley Chase to the Campaign Finance and Public Disclosure Board.  
Donald Roggenbauer to the Campaign Finance and Public Disclosure Board.  
Wilbur Fluegel to the Campaign Finance and Public Disclosure Board.  
Allan Spear to the Campaign Finance and Public Disclosure Board.

### Bills granted final passage under suspension of rules

S.F. 2340-Johnson, Dean: Omnibus transportation and public safety funding bill. 40-23

## Monday, April 30

### Bills granted final passage on the Senate Calendar

H.F. 1261-Chaudhary: Modifies and clarifies corrections provisions. 59-0.

### Bills granted final passage under suspension of rules

S.F. 2360-Cohen: Omnibus state government, economic development and the judiciary funding bill. 40-22

## Tuesday, May 1

### Bills reconsidered

S.F. 2360-Cohen: Omnibus state government, economic development and the judiciary funding bill. Amended; repassed. 44-22

### Bills granted final passage on Special Orders

S.F. 555-Betzold: Modifies state agencies rulemaking procedures. 59-1

S.F. 125-Foley: Care and treatment for Alzheimer's patients disclosure requirements in assisted living home care and housing with services providers. 57-0

S.F. 1666-Murphy: Allow licensing exemption for certain sales of horse trailers and temporary sales of recreational vehicles. 57-0

S.F. 1752-Solon: Omnibus liquor bill. 52-2

S.F. 761-Fowler: Provides for proportional representation between the Metro Area and Greater Minnesota areas on administrative boards and agencies. 52-9

H.F. 489-Scheid: Provides for procurement of surety bonds. 58-0

S.F. 1068-Betzold: Omnibus data practices bill. 55-1

S.F. 1144-Marty: Defines terms relating to alcoholic beverage concentration, allows persons employed in health-related occupations to chemically test a person for DWI purposes. 54-0

S.F. 1324-Marty: Modifies training requirements that the rules of the Board of Private Detective and Protective Agent Services must address. 60-0

S.F. 1394-Kiscaden: Changes child placement provisions, modifies provisions governing child maltreatment investigations, classifies data and authorizes data sharing. 59-0

S.F. 1367-Lourey: Provides a new standard of market value for new counties, provides for signatures from both affected areas on a petition to change county boundaries and provides for a special election to fill vacancies or add members to a county board after the change of county boundaries. 59-2

## Wednesday, May 2

### Bills granted final passage on Special Orders

S.F. 1402-Langseth: Omnibus capital bonding bill. 42-22 Laid on the table.

S.F. 221-Pappas: Makes changes to dangerous dog provisions, changes the disposition of certain animals, provides for preservation of evidence and imposes penalties. 60-0

S.F. 2225-Pappas: Allows certain school buses to be operated by licensed child care providers, establishes a pilot project to allow certain type A school buses to be operated by holders of Class D driver's licenses under limited conditions. 54-0

S.F. 2031-Knutson: Regulates public works contracts. 62-0

## Thursday, May 3

### Bills granted final passage on Special Orders

S.F. 2359-Stumpf: Omnibus E-12 education budget bill. 46-18

S.F. 866-Pappas: Education policy bill. 60-5

# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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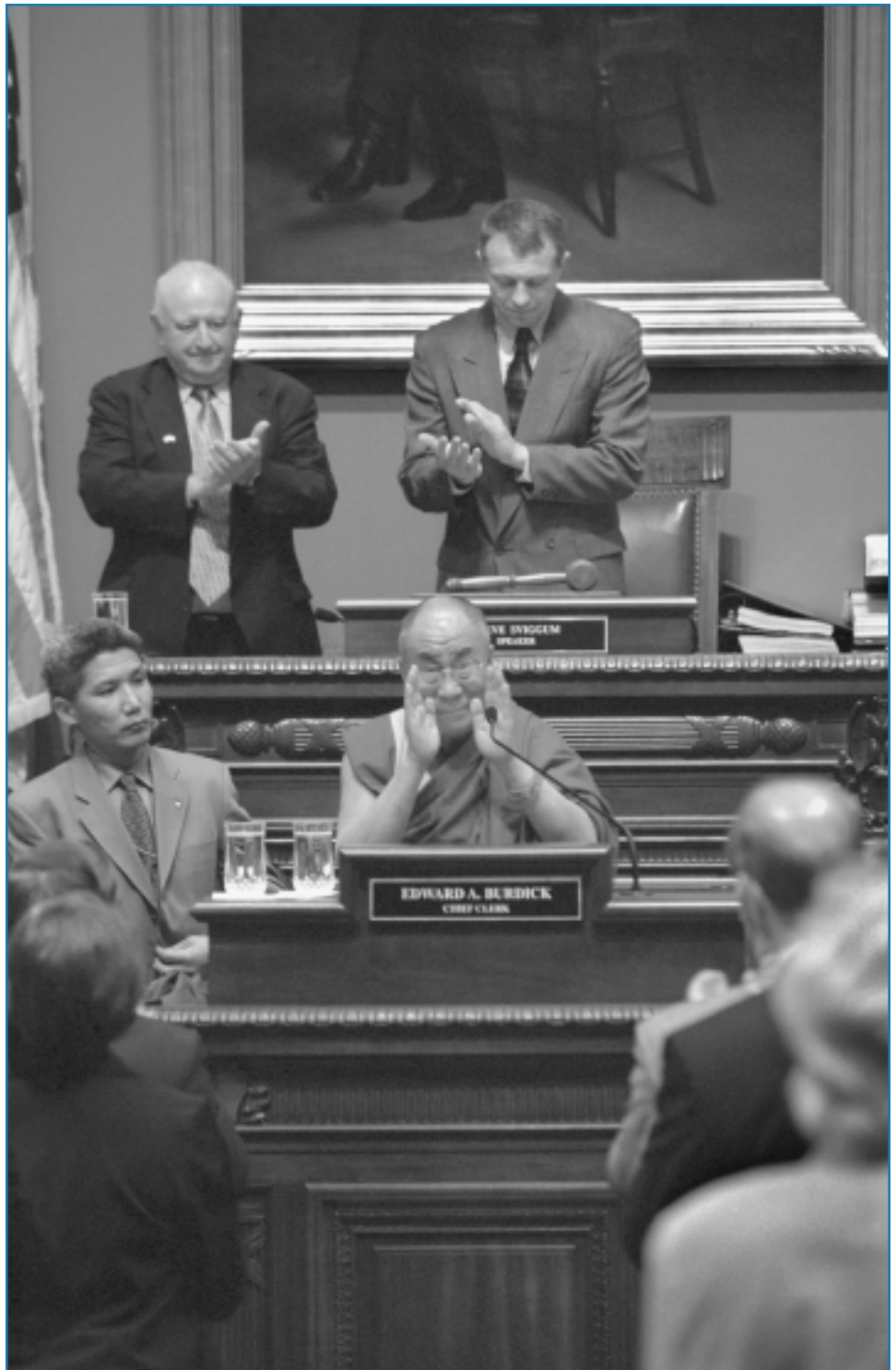
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*His Holiness the Dalai Lama, with Senate President Don Samuelson (DFL-Brainerd) and House Speaker Steve Sviggum (R-Kenyon) behind him, acknowledges applause from Legislators and guests prior to his address in the House chamber Weds., May 9.  
Photo by David J. Oakes*



May 11, 2001

# Senate Highlights

## Dalai Lama addresses Legislature

Calling Minnesota the second home to many of his people, the spiritual leader and exiled head of state of Tibet, His Holiness the Dalai Lama, addressed a joint convention of the Minnesota Legislature Weds., May 9. He thanked Minnesotans for offering a wide range of opportunities to Tibetans and for making them feel “calm and at peace” in the state.

The Dalai Lama referred to the occasion as one of genuine human feeling. “Human affection is a very, very precious thing,” he said, regardless of one’s country, faith or language. If people carry the spirit of genuine affection with them constantly, he said, then everything they set out to do will be constructive.

He emphasized three main points that he said he tries to keep in mind every day. First, he said, human beings are fundamentally the same. The future of humanity, the Dalai Lama said, rests on humans expressing concern for each other. “We all have an innate desire to have a happy life,” he said, and we all have the right to a happy and meaningful existence. Most problems in the world, he said, are created out of human intelligence expressed in the physical world. The solutions to the problems must be found on the mental and

emotional levels, he said. Only by utilizing the basic human values of caring, community, self-discipline, forgiveness and tolerance can humans hope to fully address their problems, the Dalai Lama said. “The basic human nature is gentle and compassionate,” he said, though it may be tinged with occasional feelings of aggression.

The Dalai Lama said his second reflection is that there are many religious traditions in the world, all of which have great potential to serve humanity. All of them, he said, carry a message of love and emphasize the basic human values. “As a Buddhist monk, I try to promote cooperation between different traditions,” he said. The growth of spiritual pluralism, the Dalai Lama said, is a wonderful advancement. However, he also said that once a person accepts religion, that person should examine the faith very seriously.

Finally, the Dalai Lama stressed the importance the Tibetan people—both residents of their homeland and refugees and exiles across the world—place on him. “The Tibetan people trust me,” he said, and that places a large moral responsibility on his shoulders. Tibet, he said, is a nation with a long and unique history passing through a difficult period now. “We have to find the proper solution,” he said. As the exiled political leader of Tibet, the Dalai

Lama said, his view of the best approach to resolving differences between Tibet and the People’s Republic of China is the middle ground. He said the best course is not to seek independence from China, but to seek some political autonomy for the region. Upon the day of his return to Tibet, the Dalai Lama said, he will hand over his political power to the local government and stress progress towards a fully democratic form of rule. If China wants to join the world community, he said, then the world must allow it in. Through that way, he said, the government will be compelled to modernize and liberalize. Chinese suspicions about himself and the West can only be decreased, the Dalai Lama said, through friendship between Western leaders and the Chinese. In the meantime, he said, civilized nations must not abandon their values when addressing principled issues, including human rights and religious freedom.

After the address, leaders of both houses—including Majority Leader Roger Moe (DFL-Erskine) and Minority Leader Dick Day (R-Owatonna)—met with the Dalai Lama in a private session in the other body’s retiring room. Moe presented the Dalai Lama with an engraved wooden box containing Minnesota wild rice as a token of thanks on behalf of Minnesotans and the Senate.

## Omnibus tax bill approved

Members of the Committee on Taxes took up H.F. 2498, the omnibus tax bill, during the Weds., May 9, meeting. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), made several amendments to the bill and advanced to the floor a tax package offering a broad range of tax reforms and relief, including a \$425 million sales tax rebate and \$609 million in tax cuts.

When he introduced the package to the committee, Pogemiller said the Senate plan represents the decision in the majority caucus to split projected surpluses evenly in half between tax relief and investment. He acknowledged that the decision put the Tax Committee in a difficult position, since both the other body and the governor were able to offer more tax reform and relief in their proposals. However, Pogemiller called the Senate majority’s overall plan the most balanced approach.

“This has been a difficult process for me,” said Sen. William Belanger (R-

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Bloomington), the committee's ranking minority member. He said there are several items in the Senate proposal that he does not consider appropriate for a tax bill. Among the issues he specifically targeted are a provision making the Metropolitan Council an elected body, appropriations for biodiesel efforts and the imposition of a property tax on the Minneapolis-St. Paul International Airport to fund airport mitigation costs. With only \$609 million of the projected FY 02-03 surplus available to the panel, Belanger said, "we got shorted on our target." "As far as I'm concerned," Belanger said, "there is no vision in this bill and no reform in this bill."

Majority Leader Roger Moe (DFL-Erskine) said the Senate, the governor and the other body all started with the same resources. The Senate, he said, decided to put half the growth into investments in education, health care and transportation. The other half, Moe said, was earmarked for tax reform and relief. The Senate placed its property tax reform emphasis, he said, on homes, especially those in the median market value range. "This tax plan, coupled with the budget bills already passed, demonstrates the Senate's priorities," Moe said.

Pogemiller also offered an amendment that, among other provisions, delays repealing the Medical Assistance surcharge for one year and striking language in the bill that removed the health care provider tax. The net effect, Pogemiller said, will be to allow the provider tax to rise to two percent. The amendment also provides \$43 million in one-time aid in FY 03 to schools for education facility energy reimbursement. Sen. Kenric Scheevel (R-Preston) questioned putting appropriations into the tax bill. Pogemiller said the money is not an appropriation, but a rebate to schools on the sales taxes they pay. The amendment was adopted, 16-11.

Representing the Minnesota Chamber of Commerce, Bill Blazar said there are two major components to tax reform: immediate relief and class rate compression. He said the Senate proposal clearly provides immediate relief. However, his organization has concerns about the lack of effective class rate compression, Blazar said. In the future, he said, business properties will pay a larger share of the property tax statewide. Pogemiller said tax relief on business properties at the level the other body set would be a crushing

blow to homeowners. Blazar said shifting the tax burden to homeowners, who can vote in referenda, increases voter accountability and will eventually lower property taxes on everyone.

Dave Renner, Minnesota Medical Association, said his organization is disappointed with the panel's effective reinstatement of the health care provider tax. He suggested that Minnesota Care be funded out of the state general fund or that the Legislature place heavier taxes on items directly creating health care problems, including tobacco. Tim Flaherty of the Coalition of Greater Minnesota Cities said his organization finds the Senate approach to be the best of the three currently offered. However, Flaherty did say his organization is worried about the impact of the proposed property tax reform on the lowest valued homes.

Wayne Cox, Minnesota Citizens for Tax Justice, said it is a mistake for any of the three players to be spending or cutting taxes at the levels currently being proposed. Everything is dependent on revenues that can no longer reasonably be counted on, Cox said. He said the Senate should either raise taxes to cover the proposed spending or create new spending totals that are accompanied by realistic assessments of future revenues. Sen. John Marty (DFL-Roseville) noted that Finance Commissioner Pamela Wheelock has sent Legislators a memo requesting unallotment authority in case revenues are not enough to maintain spending at the level enacted by the Legislature.

H.F. 2498 was advanced to the floor on a 17-11 roll call vote.

### **.08 limit debated**

Much of the early part of the Thurs., May 10, floor session was spent debating an amendment to a relatively non-controversial omnibus DWI bill. The bill, S.F. 1208, sponsored by Sen. Leo Foley (DFL-Coon Rapids), makes numerous changes in DWI provisions.

Foley offered an amendment lowering the legal blood alcohol limit to .08. He said the amendment contains much of the same language discussed previously on the floor, but specifically accounts for new money and appropriations in a way that balances all the funds involved. Under the amendment, reinstatement surcharges are raised to cover part of the cost of implementation. Several members objected to the amendment under a rule

that requires any bill that violates agreed upon spending limits as being out of order. However, Sen. John Marty (DFL-Roseville) countered that the amendment contained enough new revenue to offset any additional spending, particularly when federal incentives are taken into account.

Sen. Dave Kleis (R-St. Cloud) said members should not vote based on pressure they feel from the federal government because it weakens a state's power to make decisions. Sen. David Tomassoni (DFL-Chisholm) argued against the amendment and said that there is no empirical evidence of a correlation between lowering the DWI threshold and decreasing alcohol-related fatalities.

Sen. Dean Johnson (DFL-Willmar) rose to offer support for Foley's amendment. He said, "We're placing our lives and the lives of those we meet on the highways in jeopardy because of costs to local governments, but think of the cost to human lives, injuries and insurance that taxpayers have to pay."

Sen. Steve Murphy (DFL-Red Wing) told members, "Impairment can be measured by many different factors. I think at .08 people can function. We'll be catching more people who are not so impaired that they can't drive," he said. Murphy said he prefers to support legislation that targets repeat DWI offenders.

Sen. Mady Reiter (R-Shoreview) said the amendment differs from the bill in terms of where the federal incentive money is distributed. "Originally the money went to transportation," she said, "and now it goes into an education fund."

Sen. Linda Berglin (DFL-Mpls.) addressed the question of where to direct the incentive funds. She offered an amendment to the amendment to distribute 50 percent of the incentive money to counties for transportation grants to offset costs related to the court system. Foley said he supported the amendment. Sen. Arlene Lesewski (R-Marshall) asked Berglin precisely how the money in the amendment to the amendment would be distributed.

Johnson offered an amendment to change the effective date from Aug. 1, 2001 to Aug. 1, 2002 to ensure that Minnesota will receive the incentive dollars. The amendment to the amendment was adopted.

Foley's amendment did not prevail on a 30-33 roll call vote. S.F. 1208 was granted final passage on a 58-5 vote.

# Committee update

## Agriculture, General Legislation and Veterans Affairs

### Foot-and-mouth control okayed

Discussion of foot-and-mouth disease dominated the Weds., May 9, meeting of the Agriculture, General Legislation and Veterans Affairs Committee. Members approved S.F. 2368, a bill giving the Board of Animal Health authority to deal with a disease outbreak.

Gene Hugoson, commissioner of the Department of Agriculture (MDA), said the agency incorporated lessons learned from the situation in England to create a contingency plan for a foot-and-mouth disease outbreak. Experiences in England have shown that people can be carriers for the foot-and-mouth virus, even though they cannot be infected, Hugoson said.

Dr. Dale Nierby of the Board of Animal Health discussed his recent experiences with disease control in England. Animal control personnel had the authority to completely destroy any herd where a sign of foot-and-mouth disease was found, he said. Such decisive and swift action is necessary to prevent spread of the disease, Nierby said.

Paul Strandberg, MDA, outlined the specific provisions in the bill. The measure allows the governor, on the recommendation of the Board of Animal Health, to declare a disease outbreak emergency. Under emergency conditions, the Board has the authority to restrict the movement of people on or off an infected farm. The bill also allows the governor to commandeer land for the disposal of animal carcasses, Strandberg said.

The federal government will reimburse farmers for losses incurred under the

bill, Strandberg continued. He applauded the committee's foresight in adding \$5 million to the contingency fund in the budget bill to deal with a possible outbreak. Committee Chair Steve Murphy (DFL-Red Wing) said he has heard from representatives of livestock associations that farmers across the state are in support of strong measures to contain a foot-and-mouth disease outbreak. The bill was sent to the Rules and Administration Committee with a recommendation to pass.

In other business, the committee confirmed appointments to several boards. Wayne Marzolf of the Agriculture Finance Division at the Dept. of Agriculture spoke for the nominees to the Minnesota Rural Finance Authority. William Thyne is being appointed to his first term on the board, Marzolf said. Marzolf highlighted Thyne's 16 years of experience in agricultural credit in Big Stone County. The



Upon his arrival at the Capitol, His Holiness the Dalai Lama is greeted by Sen. Satveer Chaudhary (DFL - Fridley) and Majority Leader Roger Moe (DFL - Erskine).

Photo by Shelley Hawes

second nominee, Patrick Thiry of Isanti County, has been a member of the RFA since 1994, according to Marzolf. Both appointments were approved and their confirmations recommended to the full Senate.

Members then heard from three nominees to the Minnesota Veterans Home Board of Directors. Violet Wagoner, Korean war veteran, said she has been volunteering in veterans organizations for several decades. "I want to do all I can to help veterans now and in the future," she said. MaryLu Brunner, a veteran of the Vietnam War, has an extensive background in nursing. "I truly care for the veterans and the quality of care they receive," she said. Gordon Baden is a veteran of the Korean War. He highlighted his community involvement, including over forty years as a member of the American Legion and the Veterans of Foreign Wars. Murphy praised all three nominees for their willingness to volunteer for the board. The nominees were approved and their appointments sent to the full Senate.

Finally, Dr. Gary Leff was approved for appointment to the Board of Animal Health. Dr. Thomas Hagerty, executive director of the Board of Animal Health, said that Leff's experience as a veterinarian makes him well qualified for the position.

## Finance

### Issues linger, advance

A number of issues discussed in other committees and on the floor resurfaced in bills presented to the full Finance Committee Mon., May 7. Members debated and, in some cases, amended bills relating to prescription drugs, drunk driving, car registration and other issues.

The Fair Drug Pricing Act of 2001 was presented by Sen. John Hottinger (DFL-Mankato). S.F. 765 establishes a rebate program paid by drug manufacturers to level out higher prices paid by consumers who do not have prescription coverage. The rebate, to be reimbursed by drug manufacturers, is required to equal the rebate given through the existing Medical Assistance program. The commissioner of human services is authorized, under the bill, to administer the various aspects of the program and a dedicated fund is created to collect and disburse the rebates. Hottinger said that, without the rebates, the people who currently pay the highest prices for drugs get no assistance at all.

On behalf of the Pharmaceutical Researchers and Manufacturers Association, Randy Morris repeated objections raised in other committees where the bill has been heard. He said the bill will cause drug prices to go up for everyone and added that some provisions of the bill might be unconstitutional. Hottinger said constitutional challenges to similar programs in another state had been taken into account in drafting the bill. Sen. Thomas Neuville (R-Northfield) asked if the Attorney General Office's budget can account for the cost of defending challenges to the bill. A representative of the office said the costs are not expected to be more than the office can absorb.

Sen. Linda Berglin (DFL-Mpls.) said she is concerned that the rebates in the bill are granted without regard to income. Sen. Roy Terwilliger (R-Edina) said that it might be wise to wait for the federal government to act on prescription reform because Minnesota has inadvertently been underfunded federally in cases where state health funding has been ahead of the curve. Hottinger said the program supplements the other ways the state provides relief for prescription drugs and will not be affected by federal reform. On a vote of 15-10, members approved and advanced the bill to the full Senate.

Sen. David Johnson (DFL-Bloomington) presented S.F. 264, a bill that makes it a felony to commit a fourth DWI offense in a ten year period. Johnson said the bill has been modified numerous times in committee to lessen the fiscal impact on local jurisdictions and added that the actual costs are hard to predict because a lot depends on what judges do in carrying out the sentencing. He highlighted provisions that allow some of the cost of incarceration to be paid by offenders' involvement in work programs. Berglin said another provision requires health plans to cover court-ordered chemical dependency treatment.

Sen. Randy Kelly (DFL-St. Paul) called the bill a sham and objected to the watering down of the provisions for the sake of the cost of enforcement. He said "We're passing a bill that's called felony DWI and really we're not doing anything." The Legislature needs to consider the human costs of drunk driving, he said, and figure out a way to fund the stiffer sentencing penalties. Sen. Twyla Ring (DFL-North Branch) agreed, saying that even if prisons become more crowded, the

hospitals and morgues will be less so. Johnson said the bill had to be changed to satisfy significant opposition, largely from counties.

Sen. Edward Oliver (R-Deephaven) presented S.F. 1541, a bill that makes a number of changes to statute as recommended by the Department of Commerce. Sen. Linda Higgins (DFL-Mpls.) offered an amendment raising the cap and allowing for expediting claims from the recovery portion of the department's real estate education, research, and recovery fund. She said the once-a-year payment of claims causes many tenants to have to wait a long time to be paid. Glenn Dorfman of the Minnesota Association of Realtors said that the process of paying claims is intentionally complex, but people do not have trouble ultimately receiving payment for a legitimate claim. The Higgins amendment was adopted.

Sen. Deanna Wiener (DFL-Eagan) offered an amendment requiring that \$1 million from the same fund be spent for fair housing and an anti-discrimination campaign directed at real estate licensees and the general public. The amendment was adopted and the bill as amended was approved and advanced to the floor.

The debate regarding vehicle registration fees was reopened by the consideration of S.F. 829, authored by Sen. Steve Murphy (DFL-Red Wing). The bill raises the registration renewal fee from \$3.50 to \$4.50 and raises all other transactions to \$7. The bill specifies that \$2.50 of each \$7 transaction may go to a dealer if the dealer handles the registration electronically.

Sen. Deanna Wiener (DFL-Eagan) said the Senate approved a version of the bill on the floor which leaves registrations filed directly through the department at \$3.50. Sen. James Metzen (DFL-South St. Paul) said the bill was originally intended to help deputy registrars, especially in Greater Minnesota, by generating more income. He said the Wiener version, however, actually hurts deputy registrars by allowing people to save \$1 by going directly to the department. Murphy agreed, saying the avoidance of two-tiered fees is the reason for his bill. Wiener said her amendment does not hurt registrars because many people will still pay the extra dollar for the convenience. Debate continued, with several Senators saying they were unclear whether the Wiener amendment is good for deputy registrars or not.

# Committee update

Sen. Claire Robling (R-Prior Lake) said that, as a compromise, all renewals could stay at \$3.50, since the deputy registrars will make more from the \$7 fee for other transactions. Wiener said the Robling proposal does not allow enough of an increase in income for the registrars because renewals are the vast majority of transactions.

Sen. Ellen Anderson (DFL-St. Paul) said the part she does not like is the increase to \$7 for all transactions that are not renewals, especially because of the impact on lower income people who will have to pay the higher fee even if they buy a very inexpensive used car.

Murphy said the increased fee covers the extra costs of processing transactions that are more complicated than simple renewals.

Sen. Leonard Price (DFL-Woodbury) and Sen. Dean Johnson (DFL-Willmar) said that, before the issue is revisited on the floor, representatives of car dealers should provide more information about their need for the \$2.50 portion of the fees, including the dealers' process for reporting that the fee has been charged on the car's invoice.

The Wiener amendment was adopted on a 15-14 vote. The bill was approved and sent to the full Senate.

Members advanced a number of other bills without controversy.

Sen. Jane Ranum (DFL-Mpls.) gained approval for S.F. 619, a bill that changes a number of provisions related to domestic abuse.

S.F. 1485, authored by Sen. Steve Kelley (DFL-Hopkins), regulates companies that deal in the transmission of money. He successfully offered an amendment to clarify that the bill does not apply to phone card retailers or benefit transfer cards.

A bill by Sen. Julie Sabo (DFL-Mpls.), S.F. 2107, specifies the Coldwater Springs land acquisition process for parkland development.

S.F. 1908, authored by Sen. Richard Cohen (DFL-St. Paul), continues exclusions for the preparation of kosher food as it relates to the calculation of the Medical Assistance payment rate for nursing homes.

Kelly presented S.F. 648, the Senate's claims bill for the session. The bill specifies payments totaling over \$250,000 for a variety of claims against the state as reviewed by the Joint Subcommittee on Claims.

## Health and Family Security

### EMS appointments confirmed

The Health and Family Security Committee, chaired by Sen. Dallas Sams (DFL-Staples), met briefly Thurs., May 10, to consider the governor's appointees to the Emergency Medical Services Regulatory Board (EMS). The four appointees include Steve Haavisto, Martin Scheerer, Linda Way and Robert Anderson, filling required slots representing sheriffs offices, a fire chief representative, a registered nurse representative and a rural regional emergency services organization, respectively. Members approved all four appointments and the meeting was adjourned.

## State Government, Economic Development and the Judiciary Budget Division

### Bills advance

The State Government, Economic Development and the Judiciary Budget Division met briefly before the floor session Thurs., May 10, to process a few remaining bills.

A bill revising certain aspects of the Uniform Commercial Code, S.F. 1561, was presented by Sen. John Hottinger (DFL-Mankato). Hottinger said the measure is essentially a housekeeping bill for Article 9 of the Uniform Commercial Code. The bill was approved and forwarded to the full Finance Committee.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 1261, a bill modifying the loan agreement originally made for the construction of the Xcel Energy Center. The bill specifies that the loan repayments which will begin to be credited in FY 04-05, are to be directed toward redevelopment within the city of St. Paul. Kelly said the city faces unique challenges in competing with suburban or ex-urban sites for housing or economic development. He said the original project included significant local and private money and was the only loan in a \$134 million bonding bill. He also said the Target Center in Minneapolis still gets funds annually through state grants, not loans.

Sen. Martha Robertson (R-Minnetonka) said the Xcel loan repayments are specified for a youth activities

account. She said the bill reneges on the understanding that got the loan approved in the first place. Kelly said there will be no money in the fund until FY 04-05 and that there are no plans for spending the repayments. The bill was approved and forwarded to the full Finance Committee.

S.F. 1438, carried by Sen. Linda Scheid (DFL-Brooklyn Park), provides for ratification of labor agreements and salary levels approved by the Legislative Coordinating Commission Subcommittee on Employee Relations. The bill also specifies the method whereby appointing authorities may recommended salaries. An amendment was proposed that lets local authorities waive the 95 percent of the governor's salary cap for classes of positions in which there is intense competition for qualified candidates. Robertson said granting the waivers for classes of position abdicates legislative responsibility for determining when to all the cap to be surpassed.

Scheid said some positions, such as hospital administrators, are routinely difficult to fill because of the cap and competition with other areas. Sen. Richard Cohen (DFL-St. Paul), chair of the division, said some classes of positions are already excluded from the salary cap. The bill was approved and advanced to the full committee.

## Taxes

### Drafts presented

Sen. Lawrence Pogemiller (DFL-Mpls.) presented members of the Tax Committee with updated copies of draft articles of the omnibus tax bill during two brief meetings Mon., May 7. Pogemiller, who chairs the committee, said the drafts represent the work of two budget divisions in processing the various tax bills introduced by members of the Senate.

The draft articles represent many sections of tax law including minerals taxation, local development, individual income tax, corporate taxation, sales and use taxes, Metropolitan Area financing and governance, special taxes, payments in lieu of taxes, local government aid (LGA), state takeover of county costs, a property tax refund and property tax reform. An article updating Minnesota law to conform with federal tax laws, a streamlines sales tax article and an article called the Sustainable Forest Incentive Act were presented.



*A standing room only crowd packed Room 15 in the Capitol Weds., May 9, as the Tax Committee convened to consider the Senate omnibus tax bill.*

Photo by David J.Oakes

A draft of a sales tax rebate article returning \$425 million, half the amount recommended by the governor, to Minnesota taxpayers was also presented. The rebate will be drawn from the FY 2001 budget. The other articles provide for \$609 million in tax relief during the FY 02-03 biennium. The governor's proposal, presented at the beginning of the year, provided for over \$1.2 billion in tax relief during the same period.

Sen. Bob Lessard (IND-Int'l. Falls) asked what the focus of the Sustainable Forest Incentive Act was meant to do. Sen. Ann Rest (DFL-New Hope) said the provisions are meant to encourage private owners of timberland to make a long-term commitment to sustainable forest management. The article provides a tax incentive payment of about two-thirds of the property taxes on the property to landowners who enroll their timberland in the state's sustainable forest program. The proposal also requires that landowners

enrolling more than 2,500 acres must allow year-round, nonmotorized access to their land for hunting and fishing. Rest said the interested parties all agreed on the 2,500 acre figure, but the other body passed a version of the proposal that sets the figure at 640 acres.

Sen. Myron Orfield (DFL-Mpls.) said the Metro Area financing and governance article provides for greater accountability with a reformatted Metropolitan Council. He said the proposal gives county commissioners a greater role in the Met Council. In response to a question from Sen. Gen Olson (R-Minnetrista), Orfield said the Met Council members would be elected but the goal is to have most of the council's membership also serve as county commissioners. He said the goal was to have a Metro Area-wide body with taxing authority without creating a new level of government.

Pogemiller highlighted features of the local development article. It includes help

for Hassan Township, the only remaining township in Hennepin County, \$1.5 million in aid for Minnesota's border cities and provisions removing the State Auditor from the tax increment financing oversight laws. The article also includes provisions making the Minneapolis-St. Paul International Airport subject to the property tax and using revenue raised to pay for airport impact mitigation.

Sen. Michelle Fischbach (R-Paynesville) asked if the draft articles include a sales tax exemption for local units of government. Pogemiller said the provision is not in the drafts, however specific requests from local units to impose local sales taxes are included.

According to Senate Fiscal Analyst Gordon Folkman, the draft articles also include a provision to raise the renters credit from 19 percent to 20 percent, providing \$7 million in tax relief to renters statewide. He said the state take-over of county costs article provides a

# Committee update

schedule for the completion of the state's takeover of the court system and provides for the state assuming about one half of the counties' costs for out-of-home placement and day training expenses. Folkman said the LGA article provides about \$30 million in additional funding to local units of government.

Pogemiller said the Senate is unable to accomplish the tax reductions that the other body and the governor have mapped out because the Senate committed more money in its targets to increased investment in health and human services, transportation and education. He said the property tax article focuses tax relief on the average value Metro Area home. Pogemiller said the draft article does not significantly compress commercial-industrial tax rates, but does hold business property taxes down. It also, he said, compresses the class rate for apartments.

## Higher Ed Conference Committee

### Higher ed funding compared

The many differences between the House and Senate approaches to higher education funding drew the attention of the conference committee on S.F. 2343, chaired by Sen. Deanna Wiener (DFL-Eagan), when the group met Weds., May 9. The members took no action to reconcile the differences, and no target has been set for education funding by party leaders.

The total sum of funding provided in the bills reflects the divide between the House and Senate on higher education issues. The Senate appropriates a total of \$283 million of new money for FY 02 and FY 03, while the House spends a total of \$190 million. The Senate bill includes new money for the Mayo Foundation, several MnSCU programs, University of Minnesota health professional education and improved faculty compensation measures that are not funded by the House file. The Senate bill also allocates almost twice as much money to the Higher Education Services Office than the House does.

The House and Senate diverge on the use of money from the tobacco endowment for funding higher education. The House bill transfers \$212 million from the tobacco use prevention and local public health endowment fund to the medical education endowment. The Senate, on the

other hand, does not use any additional tobacco endowment money. Instead, the Senate health and human services omnibus bill funds the Academic Health Center through the Department of Health and Human Services. Both the House higher education bill and the Senate health and human services bill provide about \$15 million for the center, which requested a \$16 million appropriation.

Jan Malcolm, commissioner of health, said the governor has recommended that some of the money that has not yet been put into the tobacco fund be given to the Academic Health Center at the University of Minnesota. However, she said, the governor does not approve of the House's bill because it uses money that has already been appropriated for tobacco use prevention programs. She said that tobacco use is the number one preventable death in Minnesota and costs the state about \$1.3 billion each year. "This should not be made into an either-or choice between preventing tobacco use or funding higher education," she said.

Both the House and Senate bills establish accountability measure for public higher education institutions. Wiener said the governor's low recommended spending for higher education came partially out of frustration at the lack of accountability within the institutions. The House bill requires the Minnesota State Colleges and Universities (MnSCU) and the University of Minnesota to report to the Legislature on the schools' performance in areas of academic equality, student experiences and success, cost-effectiveness and institutional efficiency and contributions to workforce and economic development. Under the Senate bill, MnSCU and the University must report to the Legislature on similar measures. The provision sets aside \$1 million to be given to the institutions if the report is completed.

## Conference Committee on Jobs, Economic Development and Housing

### Companion bills compared

The first meeting of the conference committee on H.F. 2846 was held Weds., May 9. Rep. Dan McElroy (R-Burnsville) presided. Jobs, housing, and economic development portions of the omnibus bill from the Senate's State Government, Economic Development and the Judiciary

Budget Division fall under the purview of the conference committee, as do provisions relating to the Department of Commerce, which had been in the Senate appropriations bill for transportation and public safety.

The bills from the two bodies include appropriations and language related to a wide variety of departments and agencies, including the Dept. of Trade and Economic Development (DTED), Dept. of Economic Security (DES) and the Minnesota Housing Finance Agency (MHFA). In addition, the bills include funding for the Dept. of Commerce, the Dept. of Labor and Industry, Minnesota Technology Inc., the Iron Range Resources and Rehabilitation Board and a number of boards, councils and commissions. The total FY 02-03 appropriations for all funds, departments and programs, are \$471 million in the Senate version and \$484 million in the House version. However, the Senate bill appropriates an additional \$75 million from FY 01 for housing.

Staff members from the two bodies presented a thorough overview of the funding differences in a side-by-side comparison of the two bills.

The more substantial differences in funding between the two bills relate to economic development, workforce development and housing. In DTED funding, a side-by-side comparison shows a total difference of \$19 million and a significant difference in the sources of funding. The House bill spends a greater proportion from the workforce development fund while the Senate version takes a greater portion from the general fund. For example, the Senate bill uses the general fund for the combined job skills and pathways funding, while the house makes those appropriations from the workforce development fund. The House bill also includes more money from federal Temporary Assistance for Needy Families (TANF) funds. DTED programs funded in the Senate bill exclusively include technology capitalization initiatives, job skills programs such as Women Venture and St. Paul Port Authority Customized Job Training, and travel information centers. Funding for a number of other programs or initiatives is included in the House bill at a lower amount than in the Senate bill.

DES funding differs by a total of \$8 million for the biennium, with the Senate bill including funding for several programs



that are not funded in the House bill. The Senate version funds the displaced homemakers program, youth intervention grants and a pilot for paid parental leave. The Senate also provides one-time funding for programs addressing women in non-traditional careers, rehabilitation for people with brain injuries, and HIV education in the workplace. Under workforce rehabilitation services, the House bill includes \$1.5 million in TANF funds for welfare-to-work programs, while the Senate version spends \$3.8 million in programs for people with a mental illness, deafness or a physical disability.

Base funding for housing is mostly the same under both bills; the major differences occur in the use of one-time funding. In the House bill, \$24 million in federal TANF dollars are shifted by way of tax credit reimbursements to the general fund. From there, the money is appropriated to the affordable rental investment fund (ARIF) as one-time money to support housing for the lowest income working families. By contrast, the Senate bill appropriates \$75 million in one-time funding from FY 01. A total of \$20.6 million of the amount is added to the housing challenge fund, \$23 million goes to the housing trust fund, and \$8.2 million is added to ARIF. The Senate designates \$7.9 million of the one-time funding for local initiative grants, including lead abatement, homeless veterans, and a manufactured home program. The House bill addresses these programs in other ways, including funding housing for homeless veterans with an unspent amount from a local government unit account in the housing trust fund.

One funding difference that is reflected throughout the two bills, and represents the only difference for many of the departments and small agencies, is the two body's different treatment of salary and benefit increases and small agency operational expenses. In general, the Senate bill includes the full 3 percent salary and benefit increase requested in the governor's budget while the House bill provides increases of roughly half that amount. The lone exception is for small agencies, where both bills grant the full salary and benefit increase but the House denies the operational expenses.

Sen. Richard Cohen (DFL-St. Paul) highlighted a difference in the bills related to funding provided for disaster relief. He said the funding is drawn from a variety of

different sources among various bills in both bodies and asked staff to prepare a separate summary of all the funding involved.

On matters of policy, the only area reviewed at the meeting was housing. The major difference is the Senate version's provisions for inclusionary housing. The Senate bill also includes changes to the adoption of building codes while the House has a separate bill, still on the House floor, with different language on the same topic. In provisions for the consolidation of MHFA funds, the bills' language is the same except as it relates to demolition of structures and income limits. Regarding funding-specific language, the bills include a number of differences in rider language or set-asides. In addition, specifications differ as they relate to the program established for manufactured housing.

## Floor update

### E-12 bill debated

A bill providing funding for early childhood through grade 12 education was the focus of the Thurs., May 3, floor session. The measure, S.F. 2359, include funding for general education, special education, educational excellence initiatives, facilities and technology proposals, fund transfers, nutrition programs, child abuse prevention programs, self-sufficiency in life-long learning programs and aid to libraries.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chief sponsor of the bill, said, "This bill has a tremendous impact on our children and our families." He said the bill brings greater equity between districts, addresses the needs of early childhood programs and tries to reform the educational system with innovative, creative ideas and change.

Stumpf continued, "There are a number of components in this measure." The bill appropriates a total of \$500 million in new spending for the biennium, representing a dramatic difference between the Senate proposal and the administration's proposed zero increase in new funding for the first year of the biennium. Provisions to S.F. 2359 add an increase to the education formula and an infusion of new funding for districts. According to Stumpf, a provision transfers to the formula \$415 per pupil from excess levies to the general education formula,

and adds \$106 per pupil in FY 02 and \$140 per pupil in FY 03 to the basic formula allowance. Pupil compression is streamlined and reformulated under the bill to raise the base formula to \$5,135 per pupil.

Stumpf said the new formula recognizes that the real cost of educating each child is actually higher than under the current formula. Another provision transfers money from the general education per pupil formula to pay for unfunded special education costs.

The bill also addresses disparities between rich and poor districts, Stumpf said, by adding \$43 million to the state equity formula. The bill also reallocates \$17 million from the charter school lease levies, he said.

Stumpf said a provision allows high school seniors to leave school early if they meet all education requirements for graduation, allowing schools to keep the excess revenues to help fund all-day kindergarten. Another provision allows school districts to assess a fee for transporting students within a 2-mile limit. Current law requires that districts provide transportation to all students outside the 2-mile limit.

The bill includes funding for career and technical school education, telecommunications funding and provides staff for a gifted learning program through the Dept. of Children, Families and Learning (CFL). Stumpf emphasized that an important component appropriates \$80 million for the next two bienniums for special education. Additionally, the bill addresses the problems of teacher retention by instituting a loan forgiveness program, alternative licensure provisions and a mentorship program for the first three years of a teacher's career.

Sen. Becky Lourey (DFL-Kerrick) provided an overview of the bill related to early childhood education. "One of the things we're doing is consolidating childcare programs," she said. A provision allows community early childhood councils to integrate all or a portion of funding available through Head Start, child care services grants and ECFE. Other provisions include the establishment of a TEACH program to provide tuition scholarships in an amount up to \$2,000 per year, education incentive bonuses of \$300-\$500 and retention bonuses up to \$3,500 annually to child care and education providers and staff.

# Floor update

Sen. Kenric Scheevel (R-Preston) offered an amendment to change the effect of the funding bill in the second year of the biennium. "I would like this proposal referred to as the fair funding amendment," he said, adding "It helps districts that are underfunded." Scheevel said the amendment eliminates the referendum and divides the allocation for FY 03 and beyond, and distributes it equally on a per student basis across the state. Scheevel said that in the second year of the biennium, Metro Area districts receive as much or more under the amendment than they would under the bill.

Sen. Sandra Pappas (DFL-St. Paul) said, "It seems to me this should be called the faulty funding amendment." The amendment, she said, does not take into consideration the base funding. She emphasized the necessity of considering the original inequities between districts. "The reason the bill formula is so complicated is that the base is unbalanced," she said.

Scheevel argued that he did not touch the compensatory aid formulas in his proposal, but merely added to the formula and equally distributed it between districts. "I'm leaving the revenue stream intact," he said.

Sen. Jane Ranum (DFL-Mpls.) said she opposed the amendment because under the bill there is a phasing in of compensatory aid, which more impoverished districts need.

Sen. Steve Kelley (DFL-Hopkins) said "I the amendment is too extreme—it's trying to say that everything is the same across the state and doesn't take into account the fact that costs are different across the state. It also doesn't address the fact that some children don't have the ability to speak English and require more help," he said.

The members failed to adopt the amendment.

## E-12 amendments considered

Debate on the measure continued for several hours. The members considered two amendments that require studies on school equity. One amendment, sponsored by Sen. Thomas Neville (R-Northfield), forms a legislative task force on school equity issues. The study is funded with \$20,000 taken from the CFL budget. Kelley put forth an amendment, which was adopted, to the amendment that requires the task force to investigate educational quality as well as equality. Neville's amendment, as amended, was adopted.

Sen. David Knutson (R-Burnsville) presented an amendment that requires an independent firm to study school accountability. He said that Standard and Poors had testified in the committee on their ability to examine 1,500 different factors, cross-reference them and put them on a searchable web site. The data collection, he said, would be invaluable in making meaningful education policy in the future.

"We're spending \$9.4 billion," he said. "There is no clear policy or research upon which we are basing our policy." He said the study would research the connections between school finance and student achievement. Parents, home buyers, employers, tax payers, teachers and Legislators would have access to school information online, he said.

"Sen. Knutson is ahead of his time," said Stumpf. He said the study should be done two years from now, when the department has upgraded its computer accounting system from an outdated COBOL database. "We have a prime opportunity to do this now," said Knutson. "Not two years from now." He said that Standard and Poors will integrate the data collection process with the installation of new computers. On a 27-34 vote, the Senate failed to adopt the amendment to research school equity.

CFL is required to return funds to the Pew Charitable Trust under an amendment sponsored by Sen. Warren Limmer (R-Maple Grove). The amendment also details an auditing process for the Department of CFL.

The attorney general is currently examining the matter, said Stumpf. He said the Legislature should not interrupt the investigation, because the department has been working with the Office of the Legislative Auditor. The audit process, he said, is already spelled out in the bill. He offered an amendment that deletes a section of the amendment and leaves only a provision requiring that the money be returned. Stumpf's amendment to Limmer's amendment was adopted and the amendment, as amended, was approved.

Sen. Dave Kleis (R-St. Cloud) presented an amendment that requires geographic balance in recruiting teachers through the teachers for the 21st century program. The amendment was adopted.

The Senate also debated an amendment that boosts the per pupil allowance for gifted and talented students from \$5 to \$11. Under the amendment, the additional

funding is taken from a \$13 million cut from the best practices appropriation. Sen. Michele Bachmann (R-Stillwater), sponsor of the amendment, said only schools chosen by the commissioner get best practices grants, but under her amendment all schools will receive additional money for gifted and talented programs. Her amendment also eliminates the grade seven graduation standard testing.

Stumpf said abolishing the grade seven test renders the state ineligible for \$92 million in federal money. The amendment was defeated 22-34.

Another amendment that uses money from the best practices budget for special programs was offered by Sen. Mady Reiter (R-Shoreview). The amendment reallocates \$224,000 to a pilot parallel block scheduling project in the Mounds View School District. The scheduling project, she said, promotes the efficient use of teachers' time and reduces the student to teacher ratio. The schools need the money, she said, to study the program design and determine how to apply the project to other schools. The Legislature, Stumpf said, usually lets the commissioner of CFL determine what specific projects receive best practices grants. He suggested giving the commissioner more authority in allocating funds to the program.

Reiter requested a roll call vote on her amendment and the measure was defeated 26-32. She then offered an amendment that incorporated Stumpf's suggestions. The amendment states that the commissioner must consider making a grant for the Mounds View project, but does not mandate funding. The Senate adopted Reiter's second amendment.

Sen. Jane Krentz (DFL-May Township) authored an amendment, which was adopted, that she said corrects an oversight in the bill. The amendment gives \$40,000 to the Minnesota Academy of Science, an organization with two part-time staff who organize science competitions for students.

## Additional amendments heard

Sen. Edward Oliver (R-Deephaven) offered an amendment that repeals referendum allowance caps and the sparsity exception. He said the amendment has no state government fiscal impact and respects and supports decision-making abilities of local elected officials and school administrators. Stumpf opposed the provision on grounds that the bill cannot carry another \$70 or \$80 million for



**Members of the Finance Committee raise their hands to vote on a proposed amendment during a recent committee hearing.**

Photo by David J. Oakes

levies. Pappas agreed with Stumpf and spoke in opposition to the amendment. Sen. Lawrence Pogemiller (DFL-Mpls.) also opposed the provision and made two points. He said there is clearly a revenue impact in terms of property taxes and that increasing the disparity by lifting caps, increases and alters the number of equity dollars. “Not all formulas are capped appropriations. As equity distribution changes and increases, additional state dollars would have to be spent to make it work,” he said.

Kelley presented an amendment to Oliver’s amendment that adds excellence to the equity requirement. After some discussion, Kelley withdrew the amendment and said he hopes to have future discussions on the issue. Oliver’s amendment was defeated.

Reiter offered an amendment that repeals a pilot project that allows the Minnesota Department of Revenue to match student data with parents’ tax records as a way of determining eligibility for the free and reduced lunch program.

Reiter said she opposes the provision because it violates data privacy. Bachman said the bill seeks to give private confidential information regarding personal income tax information to the state. She said she supports the amendment because parents should be allowed to come forward voluntarily and request aid. Stumpf maintained that no data privacy law is violated because the department submits student information to the Department of Revenue and in turn receives an aggregate report, not specific information.

Sen. Martha Robertson (R-Minnetonka), Sen. Don Betzold (DFL-Fridley), Sen. Gen Olson (R-Minnetrista) and Pogemiller spoke in opposition to the amendment. They agreed the department frequently requests summary information from the Department of Revenue and that income status, not income data, is revealed. The amendment was defeated in a 20-41 vote.

Sen. Grace Schwab (R-Albert Lea) raised the issue of a board-approved levy. She offered an amendment that repeals a

provision in the bill that allows school boards in 32 districts to approve levies between \$50 and \$100. “I’m concerned that once 32 districts can tax people like this, every other district will be asking for the same authority,” said Schwab. Pappas opposed the amendment and said there is an unequal tax base in the state, which is compounded if referendums are not passed because then districts don’t qualify for equity revenue. However, under the bill, districts without referendums qualify for equity revenue, she said. Robertson maintained that voters who don’t approve referendums should not have access to equity revenue. The amendment was not adopted.

Integration aid was addressed in an amendment offered by Sen. Sheila Kiscaden (R-Rochester). She said the amendment increases integration aid to \$150 per pupil by transferring \$4.887 million from the basic education account to integration aid funding. Currently, she said some districts receive \$93 per pupil in aid and others receive nothing dependent

# Floor update

upon whether or not they have an integration plan and are contiguous to either the St. Paul, Minneapolis or Duluth school district. "Dollars are taken from the magnate school grants for the first year of funding and that should force the department to come back with better guidelines that we can adopt next session," said Kiscaden. Stumpf opposed the amendment because he said there is a \$1.21 million state levy impact not funded in the bill and the overall picture of integration aid needs to be addressed. Pappas agreed with the need to include more districts in funding integration but asked members to oppose the measure until conference committee where integration aid could be discussed more thoroughly. Kelley concurred with Kiscaden and said school districts should not have to wait for integration aid. The amendment was adopted in a 35-28 vote.

LeCenter receives a \$350,000 technology integration grant in an amendment offered by Neuville. Neuville said LeCenter would appreciate the funding because it is dealing with costs associated with declining enrollment and the effects from last year's tornado. Stumpf supported the amendment and it was adopted.

Knutson offered an amendment repealing the \$415 per pupil transfer to the formula and adding it to referendum equalization aid. He said the amendment allows equalization referendum aid to increase to \$250 and allows for referendum aid in property poor districts. Stumpf opposed the amendment saying, "That is the reason you should support the bill because we move away from reliance on excess referendum." The amendment was defeated 23-32.

Scheevel directed members' attention to the issue of structurally balanced budgets. He offered an amendment requiring school districts to balance budgets considering financial obligations from two year teacher contracts and one year beyond. "As contracts are being signed, all expenditures must be matched up with revenues," said Scheevel. He said the amendment alleviates trauma for the potentially 3,000 teachers that will be laid off this year because teacher payrolls for the third year of a contract were not considered in budgets. Legislators should not object to having school districts go through the same budget process as they do, he said. Scheevel also reported that a

large number of organizations endorse the amendment, including the Minnesota School Boards Association, Minnesota Business Partnership, Minnesota Chamber of Commerce and the Minnesota Education League.

Pappas said the amendment is flawed because the premise is incorrect. "Over the past 10 years, contract settlements have not been higher than revenues and between 1998 and 1999 teacher salary schedules have not kept pace with inflation," she said. Increased costs are not attributed to teacher salaries, said Pappas, but are due to smaller class sizes, smaller teacher-student ratios, increased special education costs, teacher shortages, increased transportation costs, increased health benefit costs, staff development costs and other costs.

Sen. Leonard Price (DFL-Woodbury) opposed the amendment saying the cost of government for school districts has remained stable at 4.9 percent. "This means districts are spending at a percent of personal income relatively the same as they have for the last 10 years," he said. The amendment was not adopted.

An amendment, proposed by Bachmann, deletes provisions in the bill related to a funding consolidation for early childhood education programs. The amendment also removes an increase in early childhood developmental screening. Bachmann praised the programs currently operating in Minnesota, but said the state's mission has become too broad. "This is a philosophical shift in how we're dealing with parental responsibility in child rearing," she said. Sen. Pat Pariseau (R-Farmington) agreed, saying that screening is a job for the medical profession, not schools. Pappas said early childhood programs are popular and provide a good return on the effort invested. The amendment was defeated 16-44.

Olson offered an amendment providing that the public can review statewide basic skills tests, and giving parents access to their student's test results. Pappas said the department already has such a policy. After some investigation, Olson said she could find no reference to such a policy on the department's web site. The amendment was adopted.

An amendment, offered by Kiscaden, transfers costs for the basic education aid formula to career and technical education aid. Stumpf agreed that the amendment is a better approach to funding. The amendment was adopted.

S.F. 2359, the E-12 education omnibus funding bill, was given its third reading and passed on a 46-18 roll call vote. The bill was then laid on the table.

## E-12 policy debate renewed

The final portion of the floor session Thurs., May 3, ended with a continuation of the discussion of the E-12 policy bill, S.F. 866, authored by Sen. Sandra Pappas (DFL-St. Paul). The bill was originally presented on the floor on Apr. 23, when the measure was debated, amended and laid over. Two of the most contentious issues, the Profile of Learning and the use of students for the dissemination of political messages, resurfaced in the floor debate.

Sen. Thomas Neuville (R-Northfield) offered an amendment modifying the Profiles of Learning. The amendment requires the commissioner to waive the Profile of Learning rules for districts that meet certain requirements in adopting their own academic standards. The amendment specifies that the standards a district adopts must include the basic requirements and additional requirements that meet or exceed the state standards in communication skills, mathematics, science, social studies, health and physical education, and computer science. He said the amendment is not an abandonment of high academic standards, but allows districts that are dissatisfied with the profiles to establish their own standards. Pappas said the districts have already been given flexibility by only requiring some of subject areas covered in the profiles. The amendment was defeated on a vote of 29-33.

A second Neuville amendment specifies that districts do not have to offer all of the subject areas of the profiles if they do not require all 24 of them. Pappas said districts were granted the authority to require fewer subject areas in order to give them more flexibility, but the total curriculum is still a good thing for districts to offer. The amendment failed on a tie vote.

Sen. Steve Dille (R-Dassel) offered another amendment addressing the profiles. His amendment requires that personal financial management and investment be added as a subject area for graduation requirements. Pappas successfully offered an amendment leaving discretion for the addition with the commissioner. The Dille amendment, as

amended, was adopted. The final profiles-related amendment was offered by Sen. Edward Oliver (R-Deephaven). His amendment directs the commissioner to take specific steps in formulating a response to a report on the state academic standards by Achieve, Inc. Pappas said the requirement to contract for the development of standards has a fiscal impact and is out of order. She proposed amending Oliver's language to remove that portion and her amendment was adopted. The remaining provision requires a report to the Legislature on recommendations by the commissioner. The amendment was adopted.

Sen. Warren Limmer (R-Maple Grove) introduced a revised version of an amendment the body had debated during the previous discussion of the bill. His amendment prohibits school districts and

district employees from using school children for the dissemination of materials advocating a position on a bond levy, bill or candidate for public office. He said the districts gain an unfair political advantage by sending political materials home with students. Sen. Steve Kelley (DFL-Hopkins) and Sen. Jane Krentz (DFL-May Township) said the language is too broad and will restrict even basic activities to teach students about citizenship. The amendment was defeated by a vote of 21-42.

Pappas offered an amendment similar to Limmer's, but retaining only the provision related to political candidates. Krentz said the Pappas amendment is one all can agree on. Limmer said taking only part of his amendment does not solve the problem that students can be manipulated and taken advantage of politically. Kelley said the amendment has the same basic

problem as Limmer's, which is the ambiguity of the what it means to "use school children" to convey messages. He said student's inviting candidates to speak at the school might be prohibited under the amendment. Pappas agreed and withdrew her amendment.

Neuville offered an amendment addressing access to schools by charitable non-profits for off-time use of facilities or distribution of written materials. The amendment allows schools to adopt a policy for access by charitable non-profits but specifies that, if they do adopt a policy, they may not deny access based on an organization's membership, policies or ideological views. He said the provision regarding use of facilities was drafted to address a situation in Minneapolis where the Boy Scouts have been denied access to schools.



*Sen. Gen Olson (R - Minnetrista) consults with Sen. LeRoy Stumpf (DFL - Thief River Falls) on the omnibus E-12 education budget bill during a recent floor session.*

Photo by David J. Oakes

# Floor update

Kelley, Sen. Leonard Price (DFL-Woodbury), Sen. John Hottinger (DFL-Mankato) and Sen. Myron Orfield (DFL-Mpls.) each asked Neuville about hypothetical situations concerning whether or not schools ought to be allowed to limit who uses space. Neuville said he found opposition to the amendment surprising because courts have been clear about preserving the rights of groups like the Ku Klux Klan based on First Amendment grounds. He said the amendment simply requires schools to apply a usage policy fairly, and sometimes that means allowing access to unpopular groups. Krentz said an undesirable result of the amendment might be that schools feel compelled to deny access to all groups. Sen. Michele Bachmann (R-Stillwater) said that, based on the first amendment, public school officials do not have the right to subject certain groups to discrimination.

Pappas, Sen. Deanna Wiener (DFL-Eagan), and Sen. Jane Ranum (DFL-Mpls.) said Neuville's amendment raises complex issues that need to be thoroughly heard and examined through the committee process. Ranum also clarified that schools in Minneapolis have not denied access to Boy Scouts, but have merely rescinded school sponsorship of troops, which is different. Neuville acknowledged the misunderstanding but said, nonetheless, the provision solidifies important First Amendment rights. The amendment failed 28-36.

A number of non-controversial amendments to the bill were adopted. An amendment by Sen. Kenric Schveevel (R-Preston) allows schools in the Mabel-Canton District to start the school year early. An amendment offered by Pappas makes a change to language on contracts to accommodate year-round schooling. Pappas also added an amendment specifying that competency tests for teachers must demonstrate a statistically significant relationship between achievement on the test and performance in the classroom. An amendment by Sen. Charles Wiger (DFL-North St. Paul) calls for a study on the inclusion of charter schools students in public school athletics.

Oliver offered an amendment creating a task force for studying ways to reduce the complexity of education funding. Sen. Sandra Pappas (DFL-St. Paul) said there is only so much time for task forces, and an earlier amendment by Neuville already created a study of equity funding. The amendment was defeated.

The bill was granted final passage on a vote of 60-5.

## Friday, May 4

### Energy bill okayed

Passage of the Senate energy policy bill, S.F. 722, was one of the highlights of the Fri., May 4, floor session. In presenting the bill, chief author Sen. James Metzen (DFL-South St. Paul) said, "As we learned from California, we should never take our energy supplies for granted." Metzen, who chairs the Senate Telecommunications, Energy and Resources Committee, told members that the state will need 3,000-5,000 megawatts of additional electricity within the decade. He said, "Although the bill won't solve all our energy problems, it represents a good start toward meeting Minnesota's energy needs."

Metzen said the bill contained several major components, including renewable energy development, public building energy conservation, consumer protection, streamlining of the siting process for new plants and energy transmission provisions. Metzen said that it currently takes 6-8 years to finalize the siting process for building new power plants, but under the bill the process is streamlined to only 3 or 4 years. "We're also exempting the personal property tax on new generating operations and have included green building provisions," he said.

Sen. Ellen Anderson (DFL-St. Paul), who also serves on the committee, said, "Conservation goals move us in the direction of renewable energy, but one missing piece that we need to focus on is coal plant emissions." Anderson said pollution from coal plants is partly responsible for the high rates of asthma, respiratory disease and other illnesses in Minnesota. There are two coal plants, Riverside and Xcel's High Bridge plant, operating in the Metro Area, according to Anderson.

Sen. Steve Murphy (DFL-Red Wing) said "Sen. Anderson implies that all the health problems in the Metro are due to two coal plants and that all respiratory problems are caused by them." Murphy argued that Xcel Energy has made multi-million-dollar investments to improve emissions and the industry should be offered incentives for their efforts. Murphy also said that although producers should be made to comply with standards, those efforts will drive up the cost of energy for everyone. "If we don't make it easier to build power plants, we'll end up like California," he said.

Sen. Jane Krentz (DFL-May Township) said that reports have definitely linked high rates of asthma and other illness to coal plant emissions.

Anderson said she did not mean to imply that coal plant emissions were the sole cause of asthma. "Autos and other sources add to the problem," she said. Speaking in support of the bill, Anderson continued, "Wind power is now competitive with other sources; it now produces one percent of our energy. The bill moves us up to a 10 percent standard," she said. Also, there are external costs to coal and gas-fired plants, including the health costs, which should be factored in when comparing energy sources, Anderson said.

Sen. Pat Pariseau (R-Farmington) said, "Nuclear energy is clean." Pariseau said she did not understand why people objected to nuclear energy. There are problems with the bill, she said, "I don't want us to move in a new direction—I'm concerned about the premature changes outlined in the bill—they raise costs—we have to consider the consumer's pocketbook."

Sen. Kenric Schveevel (R-Preston) said he commended Metzen's work on the bill and shared Murphy's concerns that the bill doesn't go far enough. "All the major players were involved with the drafting process and it's a good start," he said.

Members voted 59-0 to grant final passage to the bill.

In other action, members granted final passage to several additional bills. Sen. David Knutson (R-Burnsville) presented S.F. 1711, a measure to prohibit making or possessing counterfeit drivers' licenses and identification cards or having equipment and materials for counterfeiting. The bill expands the crime prohibiting the possession of shoplifting gear and imposes criminal penalties. The bill passed on a 60-0 vote.

Sen. Richard Cohen (DFL-St. Paul) presented two bills for consideration. S.F. 1215 contains modifications to human rights provisions. Cohen said the bill was requested by the Dept. of Human Rights to address issues of employment discrimination and interagency policy. He said the bill went through significant changes in the data privacy area. The second bill, S.F. 846, allows the attorney general or county attorney to have access to the criminal justice data communications network for the purpose of determining whether a petition for the civil commitment of a proposed patient as a sexual psychopathic

personality or as a sexually dangerous person should be filed. Both bills passed the Senate on votes of 54-0 and 58-0, respectively.

Sen. John Hottinger (DFL-Mankato) presented S.F. 414, a bill modifying the Minnesota Utilization Review Act. The bill requires that a physician conducting a review must be licensed in Minnesota and adds to the grounds in which the Board of Medical Practice may impose disciplinary action. An amendment was adopted to give the board authority to investigate allegations and impose disciplinary actions under specified circumstances. Members approved the bill on a 45-0 vote.

Hottinger presented a second bill, S.F. 859, to modify and recodify accountancy practice regulation provisions. Hottinger said much of the language in the bill is a recodification of current language, modernized to respond to changes in accounting practice in the marketplace. The bill passed on a 56-0 vote.

Sen. Linda Berglin (DFL-Mpls.) authored S.F. 491, a bill to modify patient protections provisions. An amendment was adopted to specify that a health organization must inform an enrollee who is a participant in a clinical trial, upon inquiry by the enrollee, that coverage shall be required as specified. Sen. Edward Oliver (R-Deephaven) said there were substantial costs associated with the bill. Berglin said, "Actually, it's a very modest attempt toward patient protection." Berglin said the bill is limited to those with very serious chronic illness. The bill passed on a 54-5 vote.

Sen. Deanna Wiener (DFL-Eagan) presented S.F. 1033, a bill related to merging unions for technical and community college employees. Sen. Sheila Kiscaden (R-Rochester) said she was concerned about employee bargaining power should the unions merge. Wiener said that despite the merger, employees will retain bargaining power. The bill passed on a 56-0 vote.

Metzen presented S.F. 1472, a bill making modifications to the capital access program. Metzen said the bill leverages money in loans to small businesses in the state. The bill passed 57-0.

Sen. Ann Rest (DFL-New Hope) authored S.F. 1064, a bill specifying procedures to be followed for professional service contracts. An amendment was adopted to clarify language in the bill before passing the measure on a 57-0 vote.

Sen. Steve Murphy (DFL-Red Wing) had four bills on special orders. S.F. 970 led to a debate over gasoline pricing. The bill, Murphy said, "puts teeth" in current law prohibiting the sale of gasoline at low cost, by setting a minimum sale price of wholesale cost plus six percent. The measure will prevent small operations from being driven out of business by large retailers trying to achieve a monopoly, according to Murphy.

Sen. Sheila Kiscaden (R-Rochester) contended that a six percent profit margin creates an inflation factor that will drive up the cost of gasoline. The price of gas in Wisconsin is higher because of such a law, she said. Kiscaden offered an amendment setting six cents per gallon as an alternate minimum profit. Murphy said six percent is the bare minimum needed to cover the cost of doing business. Kiscaden's amendment brings the profit margin below the cost where small stations can afford to operate, he said. Kiscaden's amendment was defeated 25-30. The bill was passed 42-18.

S.F. 1659 is a measure that strikes a compromise between agricultural and environmental groups on several feedlot regulation issues, Murphy said. The bill removes the requirement to maintain individual precipitation records, prevents the Dept. of Agriculture from delaying a transfer of feedlot ownership without reason, and requires the Environmental Quality Board (EQB) to make recommendations regarding phased actions. The bill also provides that an estimate of the number of animals in an area is an adequate level one inventory for delegated counties. Members adopted an amendment, offered by Sen. Don Betzold (DFL-Fridley), postponing the due date for a report to Jan. 15, in order to reduce the workload on state employees during the holiday season. The bill was then passed 51-1.

S.F. 694 creates a propane council to conduct research and provide education on preventing accidents with propane. Under the bill, the council is funded by an assessment per gallon of propane sold. Kiscaden offered an amendment rescinding the council's authority to raise the assessment, so the assessment is set at one tenth of a cent per gallon. The amendment was adopted and the bill was passed 43-10.

Murphy's fourth bill, S.F. 1498, comes from the Dept. of Transportation (DOT). The bill evens the limits on disaster

accounts for county highways and municipal streets and transfers authority over highway safety center grants from the DOT to the Dept. of Public Safety. The bill was passed 53-0.

Sen. Dennis Frederickson (R-New Ulm) presented two noncontroversial measures. S.F. 1258 expands local authority over the use of funds in an economic development fund revolving account. The bill allows local governments to incorporate into a larger regional fund for economic development. "This would give the cities an opportunity to cooperate amongst themselves," Frederickson said. The bill was passed 50-0.

S.F. 1164 relates to the Reinvest in Minnesota (RIM) conservation easement program. The bill uses a reference to corporate farm law, rather than a list of farm organizations, to define landowners eligible for the program. The measure also raises the maximum limits on reimbursements to landowners. The bill was passed 51-0.

## Monday, May 7

### Omnibus ag bill passed

During the Mon., May 7, floor session, the Senate granted final passage to the omnibus agriculture bill. The measure is a compilation of several smaller policy bills, with the exception of feedlot bills, said Sen. Steve Murphy (DFL-Red Wing), chief sponsor.

Under an amendment offered by Murphy, all diesel fuel sold after July 2004 must contain two percent biodiesel fuel. In each year before the requirement goes into effect, the Department of Agriculture must report to the Legislature about the production and distribution of biodiesel fuel.

The biodiesel mandate might bump gas prices up \$.01 to \$.05 per gallon, said Murphy, because of additives needed to keep the fuel from gelling in cold weather. However, he said, most large refineries already use additives after a set date in the fall.

Sen. Edward Oliver (R-Deephaven) said this year was not a good year for passing Legislation that might cost consumers more at the pump, because gas prices are already skyrocketing. Murphy said the Legislature should act now so we can breath 20 years from now.

Sen. Jim Vickerman (DFL-Tracy) said, "The longer we have to report on biodiesel, the longer we won't be using it."

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He said the U.S. Air Force already uses fuel which is 20 percent plant derived. He offered an amendment, which was adopted, that moves the deadline for two percent biodiesel ahead one year. The amendment, as amended, was added to the bill on a 48-15 vote.

An amendment, put forth by Sen. Dan Stevens (R-Mora), transfers to the Department of Agriculture from the Pollution Control Agency (PCA) the responsibility to monitor and enforce air and water quality standards, feedlot rules and other environmental laws for dairy farms with less than 1,000 animal units. The amendment specifies that dairy producers and processors, feedlot workers, and department and agency staff must be consulted

on the transfer procedure. Murphy said that shifting the responsibility to the Department of Agriculture creates a conflict of interest because the department looks out for the interest of agricultural businesses, whereas the PCA investigates environmental concerns. On a 20-43 vote, the amendment was defeated.

Agricultural operations cannot become a private or public nuisance after two years of being established unless it violates laws, as specified under an amendment offered by Sen. Kenric Scheevel (R-Preston). Sen. Linda Berglin (DFL-Mpls.) said the amendment undermines the authority of townships. Sen. Jane Krentz (DFL-May Township) said the Iowa courts had found a similar law unconstitu-

tional. She said the amendment needed to be heard in the Judiciary Committee. Scheevel said he had asked for a hearing for the bill in the committee, but had not been granted one. He withdrew the amendment.

Sen. Roger Moe (DFL-Erskine) offered an amendment, which the Senate adopted, that places wild rice on a list of agricultural products for which there is a checkoff fee. Moe said the fee discourages the importation of wild rice from California and other states. The money collected will be used for wild rice research and promotion, he said.

The application of pesticides to golf courses must be done by certified individuals, according to an amendment



*Sen. Grace Schwab (R - Albert Lea) and Sen. David Tomassoni (DFL - Chisholm) engage in some number crunching during the Weds., May 9, meeting of the Tax Committee.*

Photo by David J. Oakes



offered by Sen. Leonard Price (DFL-Woodbury). The amendment was adopted.

The Senate passed several housekeeping amendments, including two offered by Sen. Dallas Sams (DFL-Staples) that reorganize language in the bill to fit with the complimentary budget measures. The bill, as amended, passed 62-3.

Murphy also presented a bill that he called a compromise between the railroad and telecommunications industries on the issue of allowing telecommunications wires to run parallel to railroad tracks. The measure, S.F. 1821, states that unless the railroad asserts in writing that the proposed crossing or paralleling of telecommunications lines with rail roads is a serious threat to the safe operations of the railroad, a crossing can be constructed following filing of the requested action with the department, pending review of the requested action by the department.

Murphy offered an amendment, which was adopted, that defines paralleling, as running utility facilities adjacent to and alongside the lines of a railroad for no more than one mile, or another distance agreed to by the parties, before the utility facilities cross the railroad lines, terminate, or exit the railroad right-of-way. The bill, as amended, was passed 61-1.

Bills concerning mobile home parks, drivers' licenses suspensions and insurance for retirees were carried by Sen. Satveer Chaudhary (DFL-Fridley). S.F. 1246 prohibits owners of manufactured home parks from charging renters more for their utilities than the owners are charged by the utility company. Under the bill, owners may also charge administrative fees and fees for the cost of capital expenses. Sen. Don Betzold (DFL-Fridley) offered an amendment that deletes the effective date of the bill, because, he said, park owners need time to be alerted to the changes. The amendment was adopted and the bill, as amended, was passed 63-0.

Chaudhary also presented S.F. 1546, a bill that permits courts to stay the adjudication of certain driving offenses after suspension, revocation and cancellations on the condition that the driver obtain a reinstatement of driving privileges. Chaudhary said the bill is needed because people, especially immigrants, do not understand how they can get their licenses reinstated and drive with invalid licenses.

Betzold said the bill limits a judge's ability to give adjudications to the same person twice. He said under the bill, a

judge could not stay an adjudication of a person who had a stay 20 years earlier. Chaudhary said that current judges are never allowed to stay adjudications and the discretion is entirely up to the prosecutors. He said the bill expands the judge's discretion and, under the bill, if a second stay is needed, the prosecutor may still request one. Betzold offered an amendment that allows the judges the ability to stay an adjudication if the person has previously received a stay of adjudication. "The amendment unravels a careful compromise with people who are afraid of using the stay of adjudication too much," said Chaudhary. "Right now judges do not have any discretion." The amendment was adopted 52-9. Chaudhary moved to table the bill.

The third bill Chaudhary presented permits the spouses of a retired public employee to join, at their own expense, the employer's health insurance plan. Several senators expressed concern that many people would take advantage of the opportunity. Chaudhary maintained that the bill addressed the concerns of a specific individual whose husband is a retired teacher. He said he had set the bill on the back burner for a while to see if the measure generated much interest. He said no one had contacted him and he assumed that few people will take advantage of the opportunity to buy health insurance. The bill passed 34-28.

### **Capital bonding bill passed**

In other action Mon., May 7, Senators considered H.F. 1266, the Senate bonding bill. Presented by Sen. Keith Langseth (DFL-Glyndon), the bill prompted another lengthy debate on the floor. Langseth said no local requests were considered in the bill that provides bonding appropriations for capital improvements, authorizes the sale of state bonds for acquiring and bettering public land and buildings. He said only emergency measures are funded in the bill. "A state-wide balance will be struck next session," he said. Kleis offered an amendment that adds funding for two local projects to the bill. Flood mitigation and Bayport flood prevention rise to the level of emergency status and belong in the bill, he said. The bill, said Sen. Dave Kleis (R-St. Cloud), funds \$8.4 million for unspecified land acquisitions, which are not emergency measures.

Langseth opposed the amendment saying the provisions in Kleis' amendment

are scheduled for consideration next year. Sen. Michele Bachmann (R-Stillwater) and Sen. Kenric Scheevel (R-Preston) favored the amendment. Scheevel said the flood mitigation provision ends the need for future flood relief measures by allocating \$1.5 million to the state for purchasing easements in several Southeastern Minnesota counties. Bachmann said phase one of the project provided an outlet to the St. Croix River and storm sewers up to the Minnesota Correction Facility. She said the amendment appropriates \$1.2 million for phase two, which provides a drainage link allowing 500,000 gallons of water per day to be drained away from Anderson Windows and residential areas that are now flooded. "It is critical to fund the Bayport storm sewer project this year to prevent future flooding," she said. The amendment failed on a 31-34 vote. H.F. 1266, on a vote of 50-14, was granted final passage.

Sen. Mark Ourada (R-Buffalo) directed members' attention to S.F. 1769, a bill allowing the commissioner of transportation to convey interest in certain land to property owners. Ourada offered an amendment requiring land owners consent prior to land reconveyance by the state. Ourada said the provision gives land owners an opportunity to decline land reconveyance. The amendment was adopted and the bill was unanimously passed.

In a parliamentary move designed to accommodate differing omnibus funding packages developed by the House and Senate, Majority Leader Roger Moe (DFL-Erskine) moved to remove the economic development provisions from the omnibus state government, economic development and the judiciary budget bill. Those provisions were then added to H.F. 2486. A similar motion added the early childhood education provisions from the omnibus E-12 education bill to H.F. 1515. Both bills were granted final passage.

## **Tuesday, May 8**

### **Omnibus health bill reconsidered**

Two measures were taken from the table during the Tues., May 8, floor session. The first, S.F. 1345, a health bill authored by Sen. Linda Higgins (DFL-Mpls.) initiated considerable debate. Sen. Linda Berglin (DFL-Mpls.) offered an amendment to insert health appropriations and numerous department of health

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provisions, including the 24-hour waiting period abortion provisions, into S.F. 1345. Berglin told members that the governor said he will veto any bill containing the abortion provisions. "If we leave it in the 600-page omnibus bill and the governor vetoes it, the bill will return to us and we'll have to deal with this again," Berglin said.

Sen. Michelle Fischbach (R-Paynesville) said she had concerns with removing the abortion provisions from the omnibus bill. "Why not deal with this in conference committee?" she said.

Sen. David Kleis (R-St. Cloud) questioned the germaness of the amendment to the bill. Berglin explained that S.F. 1345 contains department of health activities, including vital statistics and other health provisions.

Sen. Thomas Neuville (R-Northfield) said that in addition to questions about the amendment's relevance to the bill, the amendment violates spending caps.

Berglin said her amendment makes no change to the budget. She also argued that the amendment contains only 72 pages, as compared to over 600 pages of major health, human services and corrections provisions in the omnibus bill that are at risk of veto should the abortion provisions remain.

The President of the Senate ruled the amendment germane. Sen. Warren Limmer (R-Maple Grove) challenged the ruling, but the Senate voted 37-26 to uphold the President's decision.

Sen. Sheila Kiscaden (R-Rochester), author of numerous provisions in the omnibus bill, warned members that they were running out of time. "Processing over 600 pages in the bill will take three days," she explained. She warned members that there were consequences to not allowing time for processing the bill before the deadline for adjournment.

Kleis moved to table the Higgins bill. The Senate voted 34-32 to do so.

Several bills were given final passage on Special Orders. Sen. Dan Stevens (R-Mora) presented S.F. 795, a bill to require the continuation of grant-in-aid snowmobile trail access when the Dept. of Natural Resources (DNR) acquires land. The measure also permits the operation of all-terrain vehicles on specified recreational lands. Stevens said the bill does not have a fiscal note. The bill was granted final passage on a 63-0 vote.

Sen. Douglas Johnson (DFL-Tower) presented S.F. 446, a bill authorizing state

agencies to allow commercial wireless equipment to be placed on state-owned property. Johnson offered a technical amendment, which was adopted, and the bill was given final passage on a 63-0 vote.

S.F. 1721, was also given final passage on a 63-0 vote. The bill, authored by Sen. Ellen Anderson (DFL-St. Paul), regulates the use of genetic information. Anderson told members that the bill prohibits employers from using genetic tests in screening employees.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 1004, a bill to prohibit tampering with the clock meters on tractors and heavy machinery. Neuville offered an amendment, which was adopted, to strengthen disclosure requirements by equipment dealers. The bill was passed.

Sen. Steve Dille (R-Dassel) authored S.F. 208. Dille said the measure authorizes funding for the improvement of Minnesota waterways. Sen. Dean Johnson (DFL-Willmar) offered an amendment to change an appropriation from \$5 million to \$3 million. The amendment was adopted and the bill was approved for final passage.

Sen. Roy Terwilliger (R-Edina) presented S.F. 2106. A bill regulating state highways in municipalities. Higgins said she had concerns with the bill. She said the Army Corps of Engineers is preparing a report related to issues addressed in the bill and suggested that the Senate not decide on the measure until the study is completed later in the year. The bill was laid on the table.

A bill carried by Sen. Dean Johnson (DFL-Willmar) aims to speed up the highway construction process. S.F. 1109 authorizes the "design-build" process, under which design and construction are procured in one contract, for a limited number of projects. "What we're trying to do is have a faster, more efficient way of delivering the project," Johnson said. The bill was passed 61-2.

A second bill was taken from the table. The omnibus health, human services and corrections appropriations bill, S.F. 2361, was considered, having lain on the table since Apr. 30. The bill had been tabled following heated discussion concerning the adoption of an amendment offered by Fischbach requiring a 24-hour waiting period and the naming of physicians and assistants prior to an abortion. Members then made final changes to the bill. Berglin, chief author, offered two

largely technical amendments. One amendment provides funding for employment programs and insurance program administration. It also makes changes to provide consistency in tracking programs. The second amendment allows the Board of Marriage and Family Therapy and the Board of Nursing to increase fees to meet requirements in statute. Both amendments were adopted.

An amendment offered by Sen. Edward Oliver (R-Deephaven) was ruled not germane. The amendment repeals the health care provider tax and replaces it with funds from the tobacco settlement. Savings under the amendment are to be passed on to health care consumers, Oliver said. Berglin argued that the amendment is not fiscally balanced. Finally, members adopted an amendment, offered by Kiscaden, to slightly modify eligibility requirements for an alternative employment plan offered to people with a history of family violence. S.F. 2361 was then granted final passage on a 43-22 roll call vote.

## Wednesday, May 9

### Conferees appointed

The Senate reconvened briefly after the address by the Dalai Lama Weds., May 9, to take up three bills on Special Orders and approve appointments to conference committees.

The body approved for membership on a conference committee on S.F. 1394 Sen. Sheila Kiscaden (R-Rochester), Sen. Jane Ranum (DFL-Mpls.) and Sen. David Knutson (R-Burnsville). The bill modifies provisions for child placement and the mistreatment of children in school settings.

Conference committee appointees for H.F. 2486, the omnibus housing and economic development appropriations bill, are Sen. Ellen Anderson (DFL-St. Paul), Sen. Richard Cohen (DFL-St. Paul), Sen. David Johnson (DFL-Bloomington), Sen. Arlene Lesewski (R-Marshall) and Sen. Myron Orfield (DFL-Mpls.).

Lastly, S.F. 103 will be confereed by Sen. Cal Larson (R-Fergus Falls), Sen. John Marty (DFL-Roseville) and Sen. Linda Scheid (DFL-Brooklyn Park). The bill provides civil penalties for theft of gasoline from a gas station.

On Special Orders, Sen. Don Betzold (DFL-Fridley) gained final passage for S.F. 179, a bill that makes two changes to civil commitment laws. An early intervention

provision increases the length of short-term treatment a judge may order from 10 to 21 days. The other aspect of the bill relates to hearings for neuroleptic medications. The bill allows, but does not require, that the hearing occur at the same time as a commitment hearing. Betzold said the bill addresses the fact that the current civil commitment process often doesn't provide any help to people with mental illness until their situation has drastically deteriorated.

Sen. Ellen Anderson (DFL-St. Paul) said she is not on any of the committees where the bill was heard and asked about opposition to the bill. Betzold said the bill originally contained more controversial provisions, and added that a lot of testimony on the bill related to unsatisfactory aspects of the commitment process that are not addressed in the bill. Sen. Michele Bachmann (R-Stillwater) asked about appeals available to patients in the early intervention process. Betzold said there is adequate due process at every phase, and the provisions in the bill help some people avoid ultimately being committed. The bill was given final passage by a vote of 63-0.

S.F. 2142 was presented to members by chief author Sen. Randy Kelly (DFL-St. Paul). The bill specifies a judicial review process when public lands are taken through eminent domain for the development of roadways. He said the bill is necessary because of a recent ruling by the Minnesota Court of Appeals. Sen. Dan Stevens (R-Mora) said local governments often abuse eminent domain authority, and not only for roadways. He said the Legislature needs to address broader aspects of reform in the use of eminent domain. Members voted 64-0 to grant the bill final passage.

Finally, Sen. Bob Lessard (IND-Int'l. Falls) gained final passage for S.F. 1249, a bill that modifies a biomass mandate to allow eligibility for certain facilities in Northern Minnesota.

## Thursday, May 10

### Bills concurred

The early part of the floor session Thurs., May 10, was devoted to consideration of Senate bills passed by the other body. Sen. Sandra Pappas (DFL-St. Paul) recommended concurrence and repassage of S.F. 510, a bill that allows counties to make certain elective offices appointive.

The other body had amended the bill to restrict it to Hubbard County and counties contiguous to it. Repassage was granted by a vote of 52-4.

Concurrence and repassage was also recommended by Sen. Don Betzold (DFL-Fridley) for S.F. 780. He said the measure, which makes changes to state agency rule-making authority, is a housekeeping bill and the other body only changed a minor phrase in the bill.

S.F. 333 also was granted concurrence with the amendments passed by the other body. Sen. Steve Kelley (DFL-Hopkins) said the bill authorizes cease and desist orders for the unlawful practice of veterinary medicine. Sen. John Hottinger (DFL-Mankato) recommended concurrence and repassage for the Accountancy Act of 2001, S.F. 859. Hottinger said the other body only made a minor technical change to the bill, and repassage was granted unanimously.

Members concurred and repassed a bill, S.F. 824, relating to immunity for persons rendering emergency care using automatic electronic defibrillators. The measure is carried by Sen. Randy Kelly (DFL-St. Paul), who said the House amendment clarifies that the immunity does not apply if the person is expected to be paid for rendering the emergency care. The bill was repassed with the House language.

### Special Orders bills passed

In other action, Thurs., May 10, the Senate passed a number of bills on Special Orders. Sen. Steve Kelley (DFL-Hopkins) presented S.F. 1485, the "Minnesota Money Transmitters Act." The bill is meant to protect consumers by requiring entities that transmit money to be licensed. The bill applies to transactions such as checks, money orders, wire or electronic transfers. The bill was passed 62-0.

H.F. 1155, carried by Sen. Dallas Sams (DFL-Staples), regulates the action plans for health plan companies. The bill includes a moratorium on managed care auto insurance plans. Companies that currently offer no-fault insurance in a managed care plan will be allowed to continue the practice, Sams said, but the issue will be revisited next year to determine a final position on the practice.

Several amendments to the bill were adopted. One amendment, offered by Sen. Sheila Kiscaden (R-Rochester), provides that the commissioner may request that the

health plan company provide information on the composition of its provider network. The amendment eliminates the administrative cost of automatically reporting information that isn't routinely used, she said. A second amendment, also offered by Kiscaden, streamlines certain administrative and reporting practices for health maintenance organizations. The amendment also creates a task force to investigate private market solutions for making health insurance more affordable for small businesses. Sen. Becky Lourey (DFL-Kerrick) suggested that the investigation should not be limited to private market solutions, and moved to strike the words "private market." Lourey's amendment to the amendment was adopted, and Kiscaden's amendment to the bill was also approved.

Another amendment, offered by Sams, provides that certain uniform prescription drug information be placed on all health care identification cards. The bill, which only applies to newly issued cards, improves the interaction between consumers and pharmacists, according to Sams.

The amendment was adopted and the bill was passed 63-0.

Sams then explained H.F. 926, a bill that contains the same provisions as the amendment that was just adopted relating to uniform information on health care ID cards. Sen. John Hottinger (DFL-Mankato) offered the substance of the Fair Drug Pricing Act as an amendment to H.F. 926. The amendment creates a drug rebate program to improve access to prescription drugs. Kiscaden contended that the amendment was not germane, since the bill relates to an administrative matter while the amendment changes the relationship between drug manufacturers and wholesalers. Hottinger argued that both the underlying bill and the amendment affect access to prescription drugs. The President of the Senate ruled the amendment not germane. H.F. 926 was passed 59-0.

H.F. 1248, authored by Sen. Don Samuelson (DFL-Brainerd), conforms veterans nursing homes to industry-wide practices regarding resident monetary accounts. The bill provides that accounts of more than \$100 be credited with interest. The bill passed 60-0.

Sen. Arlene Lesewski (R-Marshall) carried H.F. 1153. The bill calls for a study of whether architects are needed to design local building projects that cost less than \$100,000. An amendment was adopted

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changing the title of the agency to do the study, and the bill was passed 61-2.

Sen. Richard Cohen (DFL-St. Paul) presented S.F. 1908. The bill allows two Jewish nursing homes in St. Paul to receive a reimbursement for kosher food costs. The bill corrects an omission in a new law passed last year, Cohen said. The bill was passed 60-0.

S.F. 1487, carried by Sen. Bob Lessard (IND-Int'l. Falls), includes many technical changes to Dept. of Natural Resources policy. Several provisions in the bill update statutes to make them compatible with the new electronic licensing system. In other provisions, the bill also provides that a taxidermist license is not required if the taxidermist is not compensated,

requires that sunken vehicles must be promptly removed from state waters, clarifies that it is a felony to flee a peace officer on an all-terrain vehicle, and simplifies the requirements for display of a fish house license. The bill was passed 62-0.

Sen. Satveer Chaudhary (DFL-Fridley) presented H.F. 1596. The bill expands the definition of "small vehicle passenger service" to include wheelchair accessible taxis.

The bill increases the transportation options open to people with disabilities, Chaudhary said. The bill passed 59-0.

Members also granted passage to S.F. 1944, authored by Sen. David Knutson (R-Burnsville). The bill lessens the harshness

of current child support law in a effort to encourage compliance and reduce convictions. Sen. Thomas Neuville (R-Northfield) offered an amendment deleting a section related to issuance of limited licenses, saying that people who pay child support need to be able to reach their workplaces. The amendment was adopted and the bill was passed 61-0.

Finally, S.F. 1507, carried by Sen. Keith Langseth (DFL-Glyndon) was passed 62-0. The bill relates to municipal zoning with respect to nonconformities. The measure provides that a nonconforming use of a premises may be continued, but if the building is unoccupied for more than one year, the subsequent use must be a conforming one.

# Floor action

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## Friday, May 4

### Bills granted final passage under suspension of rules

**H.F. 82-Stumpf:** Omnibus E-12 education funding bill. 47-14

### Bills granted final passage on Special Orders

**S.F. 1711-Knutson:** Prohibits making or possessing counterfeit drivers' license and identifications cards and expands the crime prohibiting the possession of shoplifting gear. 60-0

**S.F. 722-Metzen:** Provides for a comprehensive energy conservation, production and regulatory changes. 59-0

**S.F. 1215-Cohen:** Modifies human rights provisions. 54-0

**S.F. 846-Cohen:** Authorizes the use of the criminal justice data communications network for determining if a civil commitment petition of a proposed patient as sexual psychopathic or sexually dangerous person should be filed. 58-0

**S.F. 1033-Wiener:** Merges unions for technical and community college employees. 56-0

**S.F. 1472-Metzen:** Modifies the economic development capital access program. 57-0

**S.F. 491-Berglin:** Modifies patient protection provisions. 55-5

**S.F. 414-Hottinger:** Modifies provisions relating to the Minnesota Utilization Review Act. 45-10

**S.F. 859-Hottinger:** Creates the Accountancy Act of 2001, authorizes rulemaking and imposes penalties. 56-0

**S.F. 1064-Rest:** Specifies procedures state agencies must follow for certain professional service contracts. 57-0

**S.F. 2049-Sabo:** Protects the flow of water into and from Camp Coldwater Springs and recognizes and extends the protection of the Minnesota Historic Sites Act and the Minnesota Field Archaeology Act to historic Camp Coldwater Springs. 55-0

**S.F. 1498-Murphy:** Modifies restrictions on funds in disaster accounts of county state-aid highway fund and municipal state-aid streets funds. 53-0

**S.F. 970-Murphy:** Prohibits the sale of gasoline below cost. 42-18

**S.F. 694-Murphy:** Minnesota Propane Education and Research Act of 2001. 43-10

**S.F. 1659-Murphy:** Modifies provisions relating to feedlots and provides for a level 1 feedlot inventory. 51-1

**S.F. 1258-Frederickson:** Modifies provisions of the Minnesota investment fund. 50-0

**S.F. 1164-Frederickson:** Modifies the definition of landowner for purposes of participation in the RIM program and increases the amount of funding available to participants. 51-0

## Monday, May 7

### Bills granted final passage on Special Orders

**S.F. 1246-Chaudhary:** Clarifies the amount that may be charged to residents of manufactured home parks for utility services. 63-0

**S.F. 1124-Chaudhary:** Provides continued insurance coverage for spouses of certain retirees. 34-28

**S.F. 1821-Murphy:** Modifies provisions regulating utility facilities in railroad rights-of-way. 61-1

**S.F. 1495-Murphy:** Omnibus agriculture bill. 62-3

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**S.F. 1963-Krentz:** Provides direction to the commissioner of administration for developing bid specifications and procurement of commodities and services to promote recycled materials. 61-0

**S.F. 1769-Ourada:** Dept. of Transportation housekeeping changes. 62-0

**H.F. 1266-Langseth:** Omnibus capital bonding bill. 50-14

## **Bills granted final passage under suspension of rules**

**H.F. 2486-Cohen:** Economic development provisions from the Senate omnibus state government, economic development and the judiciary budget bill. 45-20

**H.F. 1515-Lourey:** Early childhood education provisions from the Senate E-12 education funding bill. 61-5

## **Tuesday, May 8**

### **Bills granted concurrence and repassage**

**S.F. 1835-Kelley, S.P.:** Regulates an employee's right to receive employment termination information. 60-0

**S.F. 986-Vickerman:** Makes changes to various lawful gambling provisions. Modifies the definition of lawful purpose, amends requirements for illegal gambling enforcement, allows noon hour bingo and makes changes to provisions relating to card clubs. 62-0

### **Bills granted final passage on Special Orders**

**S.F. 795-Stevens:** Requires the continuation of grant-in-aid snowmobile trail access when the commissioner of natural resources acquires land and permits all-terrain vehicles to be operated on certain recreation land trails in Mille Lacs and Pine Counties. 63-0

**S.F. 446-Johnson, Douglas:** Authorizes state agencies to allow commercial wireless equipment to be placed on state-owned lands, buildings and other structures. 63-0

**S.F. 1721-Anderson:** Regulates the use of protected genetic information in penalties and provides penalties. 63-0

**S.F. 1004-Lourey:** Prohibits tampering with clock-hour meters on heavy machinery and prescribes criminal and civil penalties. 57-6

**H.F. 208-Dille:** A resolution urging authorization of funding for modernization of waterways. 46-17

**S.F. 1109-Johnson, Dean:** Provides for design-build method of state transportation project delivery. 61-2

### **Bills taken from the table and granted final passage.**

**S.F. 2361-Berglin:** Omnibus health, human services and corrections funding bill. 43-22

## **Wednesday, May 9**

### **Bills granted final passage on Special Orders**

**S.F. 179-Betzold:** Requires certain hearings on neuroleptic medications to be combined with a civil commitment proceeding. 63-0

**S.F. 1249-Lessard:** Modifies the biomass mandate. 61-0

**S.F. 2142-Kelly:** Allows judicial review of public purpose and the necessity for taking property for county highway or town road. 64-0

## **Thursday, May 10**

### **Bills granted concurrence and repassage**

**S.F. 510-Pappas:** Provides a process for making certain county offices appointive. 52-5

**S.F. 780-Betzold:** Regulates rulemaking by state agencies and makes various technical and housekeeping changes. 57-0

**S.F. 333-Kelley, S.P.:** Authorizes the Board of Veterinary Medicine to issue cease and desist orders. 55-0

**S.F. 859-Hottinger:** Creates the Accountancy Act of 2001, authorizes rulemaking and imposes penalties. 58-0

**S.F. 824-Kelly, R. C.:** Clarifies the immunity from liability for persons rendering certain emergency care. 58-0

### **Bills granted final passage on Special Orders**

**S.F. 1208-Foley:** Omnibus DWI provisions. 58-5

**S.F. 1485-Kelley, S.P.:** Provides for the licensing of money transmitters. 62-0

**H.F. 926-Sams:** Modifies the content and format requirements for Minnesota uniform health care identification cards and require uniform prescription drug information to be included on the cards. 59-0.

**H.F. 1248-Samuels:** Modifies maintenance requirements for veteran homes residents deposit accounts. 60-0.

**H.F. 1153-Lesewski:** Provides for a study, a report and an education program by the Board of Architects. 61-2.

**S.F. 1908-Cohen:** Excludes the raw food cost adjustment from certain nursing facility rate computations. 60-0.

**H.F. 1487-Lessard:** Modifies provisions rendered obsolete by the electronic licensing system. 62-0.

**H.F. 1155-Sams:** Regulating action plans of certain health plan companies. 63-0.

**H.F. 1507-Langseth:** Clarifying the treatment of legal nonconforming uses. 62-0.

### **Bills taken from the table and granted final passage**

**H.F. 1596-Chaudhary:** Expanding the definition of small vehicle passenger service. 59-0.

**S.F. 1944-Knutson:** Modifying nonsupport of a spouse or child. 61-0.

# Conference Committees

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**H.F. 82 / S.F. 2173** - Omnibus K-12 education appropriations bill.

House: Seagren; Mares; Buesgens; Ness; Wenzel  
Senate: members have not been appointed.

**H.F. 264 / S.F. 262** - Corrects names of committees and extends the Legislative Energy Task Force.

House: Wolf; Jennings; Ozment  
Senate: Metzen; Anderson; Scheevel

**H.F. 486 / S. F. 682** - Requires newspaper paid political advertisement disclaimers to be legible.

House: Seifert; Kubly; Rhodes  
Senate: Lesewski; Scheid; Limmer

**H.F. 704 / S.F. 719** - Provides an exceptionn from criminal rehabilitation provisions for emergency medical services personnel licensure.

House: Fuller; Walz; Hilstrom  
Senate: Lourey; Sams; Kiscaden

**H.F. 873 / S.F. 1126** - Provides for the public and private sales and conveyances of tax-forfeited lands.

House: Howes; Swenson; Bakk  
Senate: Kinkel; Tomassoni; Pariseau

**H. F. 1261 / S. F. 1937** - Provides for Corrections Department reporting, certification standards, and offender review provided, modifies the definition of criminal sexual conduct, and provides for maintaining HIV data of sex offenders.

House: Bishop; Tuma; Hilstrom  
Senate: Chaudhary; Ranum; Schwab

**H.F. 1515** - Omnibus family and early childhood education appropriations.

House: Sykora; Haas; Mulder; Eastlund; Nornes  
Senate: Lourey; Sabo; Hottinger; Kinkel; Robling

**H.F. 2107 / S.F. 1329** - Specifies student conduct considered grounds for dismissal or removal from class.

House: Johnson, J; Penas; Thompson  
Senate: Neuville; Ranum; Pappas

**H.F. 2486** - Omnibus jobs and economic development appropriations.

House: McElroy; Gunther; Gerlach; Lindner; Clark, K.  
Senate: Anderson; Cohen; Johnson, David; Knutson; Orfield

**S.F. 103 / H.F. 205** - Provides civil remedies for the theft of motor fuel from a retail business.

House: Nornes; Stang; Marquart  
Senate: Larson; Marty; Scheid

**S.F. 174 / H.F. 256** - Authorizes gross weight seasonal increases for transporting carrots.

House: Howes; Skoe; Kuisle  
Senate: Moe, R.D.; Langseth; Robling

**S.F. 555 / H.F. 667** - Modifies certain procedures relating to administrative rules.

House: members have not been appointed.  
Senate: Betzold; Stevens; Hottinger

**S.F. 1047 / H.F. 628** - Requires apartment manager background checks on individuals who have resided in the state less than ten years and provides immunity for employment references.

House: Leppik; Knoblach; Johnson, J.; Pelowski; Opatz  
Senate: Knutson; Hottinger; Neuville; Johnson, David; Ranum

**S.F. 1068 / H.F. 1898** - Omnibus data practices bill.

House: members have not been appointed.  
Senate: Betzold; Limmer; Orfield

**S. F. 1326 / H. F. 2488** - Resolution establishing redistricting principles for legislative and congressional plans.

House: Paulsen; Knoblach; Pelowski  
Senate: Pogemiller; Orfield; Belanger

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# Preview

## Monday

The Senate will be in session at 10 a.m.

## Tuesday

The Senate will be in session at 9 a.m.

## Wednesday

The Senate will be in session at 9 a.m.

## Thursday

The Senate will be in session at 9 a.m.

## Friday

The Senate will be in session at 9 a.m.

### Editor's Note:

Conference committees meet at the call of the chairs. Please check the Senate website frequently for the most current conference committee schedules. The Senate schedule can be found online at: <http://www.senate.leg.state.mn.us/schedule>

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### Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status, and bill sponsorship. Interested citizens may also request copies of bills or ask to be put on the mailing list for Senate publications. If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 651-296-0504 (tty 651-296-0250). The Senate Information Office also has toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (tty). Staff members are available to answer questions about the Senate and the legislative process. For daily recorded updates on committee meetings, call the Senate Hotline at 651-296-8088.

**S.F. 1394 / H.F. 1397** - Modifies provisions relating to child placement and child maltreatment in schools.

House: Tingelstad; Cassell; Entenza  
Senate: Kiscaden; Ranum; Knutson

**S.F. 1464 / H.F. 1304** - Modifies provisions for lead poisoning prevention.

House: members have not been appointed.  
Senate: Lourey; Sams; Fischbach

**S.F. 1752 / H.F. 1994** - Omnibus liquor bill

House: Stang; Davids; Entenza  
Senate: Solon; Metzen; Lessard

**S.F. 1968 / H.F. 1276** - Specifies requirements for crane operators certification.

House: Mullery; Smith; Ozment  
Senate: Samuelson; Johnson, David; Frederickson

**S. F. 2340 / H. F. 2189** - Omnibus transportation and public safety appropriations.

House: Molnau; Stanek; Workman; Holberg; Murphy  
Senate: Johnson, Dean; Kelly, R.C.; Ranum;  
Terwilliger; Ourada

**S. F. 2343 / H. F. 2489** - Omnibus higher education appropriations.

House: Leppik; Stang; Cassell; Dehler; Seifert  
Senate: Wiener; Scheid; Murphy; Larson; Kierlin

**S. F. 2351 / H. F. 766** - Omnibus environment, natural resources and agriculture appropriations.

House: members have not been appointed.  
Senate: Price; Krentz; Higgins; Frederickson; Dille

**S. F. 2360 / H. F. 218** - Omnibus state departments appropriations.

House: members have not been appointed.  
Senate: Cohen; Vickerman; Marty; Metzen; Knutson

# Minnesota Senate 2001

Party	Phone	Name	Room	District	Party	Phone	Name	Room	District
DFL	296-5537	Ellen R. Anderson	120 Cap.	66	DFL	296-5645	John Marty	325 Cap.	54
R	296-4351	Michele M. Bachmann	125 SOB	56	DFL	296-4370	James P. Metzzen	322 Cap.	39
R	296-5975	William V. Belanger, Jr.	113 SOB	41	DFL	296-2577	Roger D. Moe	208 Cap.	2
R	296-5094	Charles A. Berg	25 SOB	13	DFL	296-4264	Steve Murphy	306 Cap.	29
DFL	296-4261	Linda Berglin	309 Cap.	61	R	296-1279	Thomas M. Neuville	123 SOB	25
DFL	296-2556	Don Betzold	G-9 Cap.	48	R	296-4837	Edward C. Oliver	117 SOB	43
DFL	296-4334	Satveer Chaudhary	325 Cap.	52	R	296-1282	Gen Olson	119 SOB	34
DFL	296-5931	Richard J. Cohen	317 Cap.	64	DFL	296-4191	Myron Orfield	227 Cap.	60
R	296-9457	Dick Day	147 SOB	28	R	296-5981	Mark Ourada	145 SOB	19
R	296-4131	Steve Dille	103 SOB	20	DFL	296-1802	Sandra L. Pappas	120 Cap.	65
R	296-2084	Michelle L. Fischbach	15 SOB	14	R	296-5252	Pat Pariseau	109 SOB	37
DFL	296-4154	Leo T. Foley	G-24 Cap.	49	DFL	296-7809	Lawrence J. Pogemiller	235 Cap.	59
DFL	296-5713	Chuck Fowler	G-9 Cap.	26	DFL	297-8060	Leonard R. Price	235 Cap.	57
R	296-8138	Dennis R. Frederickson	139 SOB	23	DFL	297-8061	Jane B. Ranum	120 Cap.	63
DFL	296-9246	Linda Higgins	328 Cap.	58	R	296-1253	Mady Reiter	132D SOB	53
DFL	296-6153	John C. Hottinger	205 Cap.	24	DFL	296-2889	Ann H. Rest	G-24 Cap.	46
DFL	296-9261	David H. Johnson	124 Cap.	40	DFL	296-5419	Twyla L. Ring	306 Cap.	18
DFL	296-3826	Dean E. Johnson	124B Cap.	15	R	296-4314	Martha R. Robertson	141 SOB	45
R	296-3219	Debbie J. Johnson	149 SOB	50	R	296-4123	Claire A. Robling	143 SOB	35
DFL	296-8881	Douglas J. Johnson	205 Cap.	6	DFL	296-4274	Julie A. Sabo	317 Cap.	62
DFL	297-8065	Steve Kelley	321 Cap.	44	DFL	297-8063	Dallas C. Sams	328 Cap.	11
DFL	296-5285	Randy C. Kelly	323 Cap.	67	DFL	296-4875	Don Samuelson	120 Cap.	12
R	296-5649	Bob Kierlin	127 SOB	32	R	296-3903	Kenric J. Scheevel	129 SOB	31
DFL	296-4913	Anthony G. "Tony" Kinkel	G-9 Cap.	4	DFL	296-8869	Linda Scheid	303 Cap.	47
R	296-4848	Sheila M. Kiscaden	135 SOB	30	R	296-9248	Grace S. Schwab	151 SOB	27
R	296-6455	Dave Kleis	107 SOB	16	DFL	296-4188	Sam G. Solon	303 Cap.	7
R	296-4120	David L. Knutson	133 SOB	36	R	296-8075	Dan Stevens	105 SOB	17
DFL	296-7061	Jane Krentz	111 Cap.	51	DFL	296-8660	LeRoy A. Stumpf	G-24 Cap.	1
DFL	296-3205	Keith Langseth	122 Cap.	9	R	296-6238	Roy Terwilliger	115 SOB	42
R	296-5655	Cal Larson	153 SOB	10	DFL	296-8017	David J. Tomassoni	111 Cap.	5
R	296-4125	Arlene J. Lesewski	131 SOB	21	DFL	296-5650	Jim Vickerman	226 Cap.	22
IND	296-4136	Bob Lessard	G-51 SOB	3	DFL	297-8073	Deanna L. Wiener	303 Cap.	38
R	296-2159	Warren Limmer	155 SOB	33	DFL	296-6820	Charles W. Wiger	301 Cap.	55
DFL	296-0293	Becky Lourey	G-9 Cap.	8					

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# Senate Briefly

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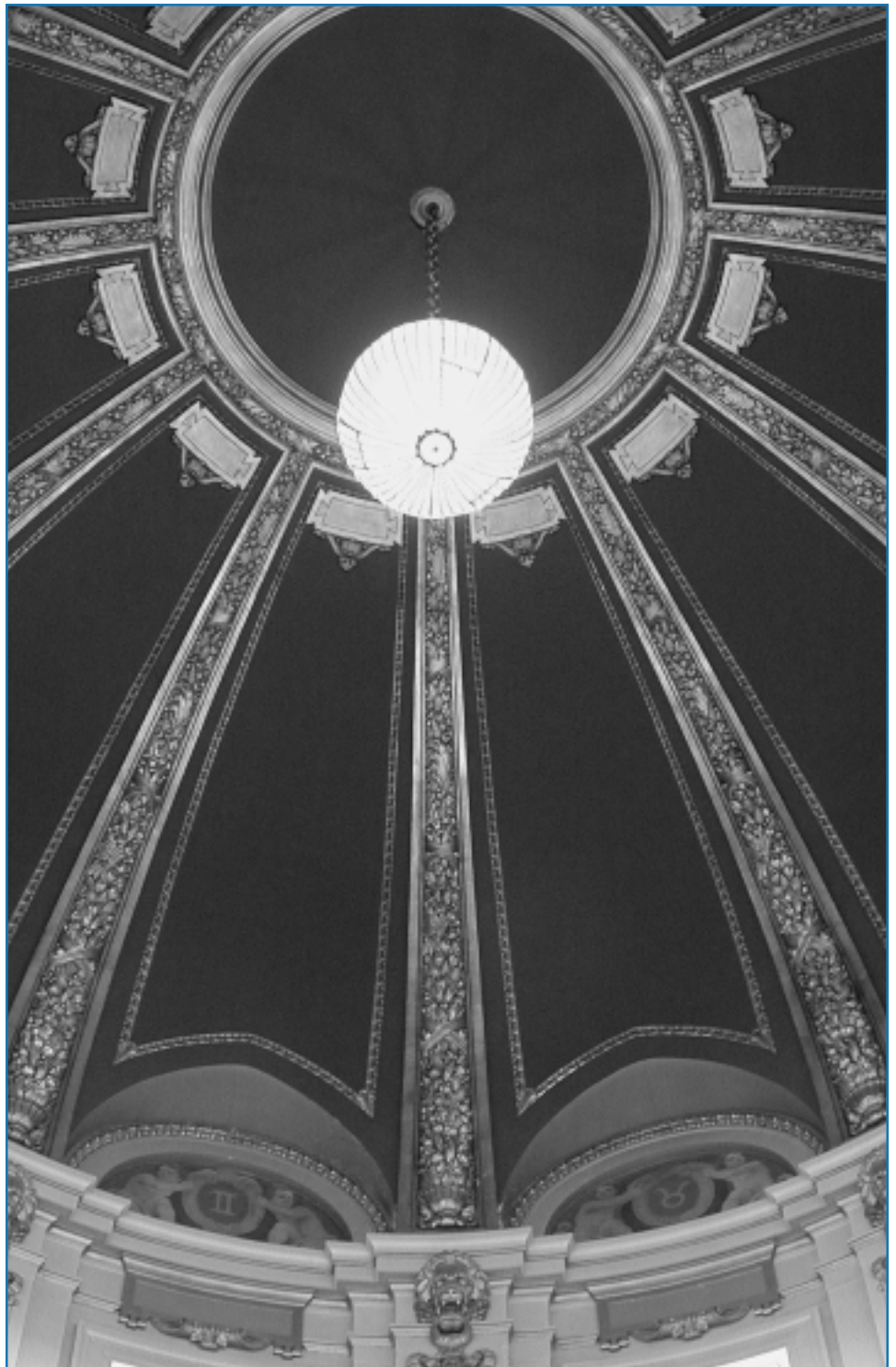
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*Only on special occasions, such as the acknowledgement of Minnesota Statehood Day—Fri., May 11—will visitors find the chandelier in the Capitol rotunda illuminated.*

*Photo by David J. Oakes*



May 18, 2001

# Senate Highlights

## Second omnibus HHS bill passed

In an attempt to expedite the enactment of a comprehensive health, human services and corrections appropriations bill, the Senate designated H.F. 1947 a Special Order to be heard immediately at the Tues., May 15, floor session. Sen. Linda Berglin (DFL-Mpls.), offered to amend the contents of S.F. 1345—the omnibus health, human services and corrections provisions already passed by the Senate—minus the “woman’s right to know” provisions, into H.F. 1947, a health bill carried by Sen. Linda Higgins (DFL-Mpls.) that modifies access to adoption records. Berglin told members that the governor remained adamant in his promise to veto any bill restricting abortion services. The original bill included specified informational material that must be provided to women prior to an abortion, required that physicians’ and nurses’ names be disclosed and required that a woman must wait another 24 hours before the procedure is performed. Following Senate concurrence with House changes to the original bill, it remained unsigned by Speaker of the House Steve Sviggum (R-Kenyon) for several days while the clock ticked toward the constitutionally mandated adjournment date. Berglin said

the purpose of the amendment was to get the bill to conference committee so Legislators might get a chance to pass the \$6 billion bill and get it to the governor in time.

Sen. David Kleis (R-St.Cloud) objected to the amendment. He said, “I thought there was an understanding that the health, human services and corrections bill would be a Senate file. We’ve already passed a health bill and it’s going to the governor. This action violates an agreement that it should be a Senate file.”

Sen. Roger Moe (DFL-Erskine) said, “I certainly wish that we could continue with the normal process but one person has exercised an arbitrary decision to deny the governor his right to make a decision on that bill—let’s get on with the work. This is far too important a bill to let one person exercise his judgment to stop it,” Moe said.

Sen. Kenric Scheevel (R-Preston) moved to table the bill but the motion did not prevail on a vote of 32-34.

Sen. Thomas Neuville (R-Northfield) said he objected to the amendment on two grounds: the germaneness of the amendment to the bill and a violation of Senate Rule 7, the budget cap rule.

Berglin said the amendment does not violate a budget resolution because the

former bill, which had gone through the Finance Committee, did not violate the budget.

Neuville also told members that the constitution states that the Speaker of the House will forfeit his office if he doesn’t sign a bill that has passed both chambers. “He’ll sign,” said Neuville, adding, “the constitution says that each body shall adopt a rule under which situations such as this are governed.”

Moe replied that Neuville was correct in his understanding of the constitution. However, Moe said, the constitution is silent on the point of time requirements. “What isn’t silent,” he said, “is that next Monday is the last legal day of session, and if we carry that to the next logical conclusion, the process is holding up government.” He continued, “This is the same dollar amount as we discussed the other day—it’s the same bill.”

Sen. Jane Krentz (DFL-May Township) said that the amendment does not violate the rule because the second bill cancels the first.

Sen. Douglas Johnson (DFL-Tower) said, “I may not agree with Krentz on the issue, but I agree with her on process. If the governor vetoes the first bill, only the second bill’s appropriations apply.”

Sen. Michelle Fischbach (R-Paynesville) offered an amendment that contained the identical abortion related provisions that were included in the first omnibus bill. The amendment failed on a tie vote, 33-33.

Members voted to adopt Berglin’s amendment to H.F. 1947 on a 39-27 roll call vote.

Sen. Dan Stevens (R-Mora) offered an amendment containing the entire House version of the omnibus health, human services and corrections bill. He said the amendment adds \$50 million more for nursing homes and includes the woman’s right to know provisions. He told members that the total cost of the bill was still within the budget guidelines.

Berglin said the amendment redirects money the state received from the tobacco settlement trust funds. The amendment takes away funding for chemical dependency programs and other needed services, according to Berglin. She also said the amendment would create havoc for counties. The amendment was not adopted.

Neuville then offered an amendment to provide that family planning money be

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administered locally and not be granted to organizations that provide abortions or abortion referrals. Berglin said the amendment would shut down family planning services throughout the state. The amendment failed on a 29-37 roll call vote.

Following adoption of a technical amendment and a failed motion to send the bill to the Finance Committee, the bill, H.F. 1947 as amended, was passed by a vote of 35-30.

In a related issue, the Senate appointed a conference committee for a bill, S.F. 1397, that modifies provisions regulating background studies under programs licensed by the Departments of Health or Human Services. The measure, carried by Sen. Sheila Kiscaden (R-Rochester), had been amended by the other body to include the entire House version of the omnibus health, human services and corrections omnibus appropriations bill. Kiscaden said that the bill would be the vehicle for the omnibus bill. Later a procedural motion named Berglin as the chief author of the bill.

## Handgun amendment fails

The concealed carry handgun issue dominated the second half of floor session Tues., May 15, but an effort to allow more Minnesotans to carry concealed weapons was narrowly defeated.

Debate began when Sen. Pat Pariseau (R-Farmington) offered a concealed carry amendment to S.F. 1481. The bill, which sets up a state-supported shooting sports program, was carried by Sen. Bob Lessard (IND-Int'l. Falls) as a vehicle for the concealed carry provision.

Pariseau's amendment provides that a county sheriff must issue a gun permit, upon receipt of an application and a \$45 fee, to any person over the age of 21 who meets certain basic qualifications. To receive a permit, a person must not be listed in the criminal gang investigative data system and must have training in the safe use of a pistol. Other factors that disqualify a person from receiving a permit include previous commitment to a mental illness treatment facility, a felony conviction, and use of controlled substances.

The amendment also contains provisions that make it unlawful to carry a pistol when under the influence of alcohol, make the second violation of permit law a felony and allow a permit holder who uses a pistol to commit a felony to be sentenced to 125 percent of

the usual maximum sentence. In addition, Pariseau pointed out provisions that allow for issuance of a 30-day nonrenewable emergency permit. Pariseau emphasized the importance of the bill for self-defense, especially for women. "I'm not a typical women's issues person," she said, "but this bill benefits women four times more than men."

Sen. Steve Murphy (DFL-Red Wing) then offered an amendment to Pariseau's amendment. Murphy's amendment makes minor changes to current law, providing that a person denied a permit may appeal to an administrative law judge. It also retains the training provisions in Pariseau's amendment. "My amendment leaves the ability for local law enforcement agents to say no, but they better have a good reason for saying no," Murphy said. He said the amendment addresses the problem of some local authorities arbitrarily denying permits to those who have a good reason to carry a weapon. However, he said, it prevents "borderline" people who qualify under Pariseau's amendment but who may pose a danger to society from receiving a permit.

Pariseau said Murphy's amendment undermines the central intention of her amendment by bringing the law enforcement authority's individual discretion back into the permitting process. Lessard warned members that the amendment was designed to kill the concealed carry bill.

Sen. Roger Moe (DFL-Erskine) pointed out that Pariseau's amendment has nothing to do with hunting rights, and also doesn't change the fact that citizens are currently allowed to have guns in their homes and businesses. He said Murphy's language constructively addresses sheriffs who arbitrarily reject permits. "To go beyond that would be a very serious mistake in this state," he said. Sen. Becky Lourey (DFL-Kerrick) agreed. She said that even people who called in support of increased gun rights were alarmed at how far Pariseau's amendment goes.

Sen. Dan Stevens (R-Mora) said that 31 other states have "shall issue" gun permit laws, but don't seem to have higher rates of violence. Sen. Douglas Johnson (DFL-Tower) agreed, saying, "Most arguments against the bill are based on emotion, not fact. Don't condemn the good law-abiding citizens who support this approach for personal security."

Pariseau cited statistics of her own in response to those read by Sen. Ellen

Anderson (DFL-St. Paul), and read letters in support of her amendment saying that responsible, well-trained gun owners help keep everyone more safe from crime and violence.

The debate returned to the effects of similar legislation in other states. Sen. Steve Kelley (DFL-Hopkins) said the rates of incidence of violent crime do not correlate with whether a state has a "shall issue" law or not, but instead seem to be related regionally. Pariseau said the language in her amendment was drafted in a way similar to the legislation in the state of Washington. Murphy said the people of Minnesota share much in common with other states in the Upper Midwest, including church-going people "who make a choice for a more peaceful culture and not one of violence."

Sen. Jane Krentz (DFL-May Township) said that, based on what she has heard thoughtful people on both sides say, the Murphy amendment adequately addresses issues of fairness in the granting of permits. Murphy said he too had been conflicted about the bill and had thought at one point that he could support Pariseau and Sams on the issue. "Since then," he said, "I have had a massive attack of conscience." He said Senators should vote on the issue not based on what the NRA or the Million Moms say, but based on what they think is right in their own hearts.

Murphy said his amendment studies the issue of denied permits to discern whether the process is unfair and added that there are more effective and less dangerous ways for people, including women, to avoid harm. He said that it may not even be possible in a fast-happening incident to retrieve a concealed weapon in time to do any good.

Sen. Arlene Lesewski (R-Marshall), the last to speak on the issue, told a story of a woman who had come to Minnesota fleeing an abusive relationship. Lesewski said the woman's former spouse was able to find her and lure her to a violent death. The woman might have been able to defend herself and survive if she had had a small weapon in her purse, Lesewski said.

Members voted to adopt the Murphy amendment 34-32. Pariseau said there will be an impact on hunter's rights and there is discrimination against women in the granting of permits. She withdrew her amendment. Lessard said the issue is not over.

The bill was laid on the table.

# Senate Highlights

## Stadium bills advance

Two bills concerning public support for professional sports stadiums dominated the agenda of the Tax Committee Tues., May 15.

The first bill, S.F. 1857, sets forth a financing plan for a major league baseball park in the Metropolitan Area. Carried by Sen. Dean Johnson (DFL-Willmar), it provides for the construction of a \$300 million open-air, roof-ready stadium. Under the bill, \$150 million must be privately funded by the Minnesota Twins and may include funds raised by the team from other private donors. The measure specifies that \$100 million of the total funding is a loan from a minimized risk pool maintained by the state. Under the bill, the team must guarantee the loan. Further, \$40 million of the financing is achieved through capturing funds from revenue bonds being repaid by the Minnesota Wild professional hockey team as part of the construction financing package for the Xcel Energy Center in St. Paul. The final \$10 million is a sales tax exemption for materials used in construction of the baseball stadium.

Dean Johnson said the bill's key element is a provision requiring Major League Baseball (MLB) to restructure its business. Construction of the stadium cannot proceed, under the bill, unless MLB and the MLB Players Association reach a bargaining agreement creating revenue sharing between teams and protecting the financial interest of teams with below average revenues. The bill provides for a panel of three retired state judges to review the agreement and determine if it meets the bill's requirements. Dean Johnson said one of the key features of such an agreement will be setting team salary ranges at no less than \$40 million and no more than \$80 million per year. He said the provision addresses public concerns about the skyrocketing salaries required to get or keep good baseball players. Dean Johnson also noted that the Twins current annual team salary is about \$18 million. By requiring the team to increase its salary to at least the minimum level, he said, the state will benefit from increased income tax revenues.

He said there is a strong precedent for forgiving possible sales tax revenues on major arena construction projects and cited the Xcel Energy Center and Minneapolis Convention Center as recent

examples. Dean Johnson said all cost overruns will be covered by the Twins. Naming rights to the stadium, under the proposal, are the property of the municipality in which the stadium will be located. Revenues from luxury boxes, concessions and parking will go to the Twins, under the bill. Dean Johnson said the important thing to keep in mind is that \$250 million will be already paid or guaranteed by the Twins when construction begins.

Speaking for the Twins, team president Jerry Bell acknowledged that MLB is a highly subsidized industry, primarily in the form of its facilities. Bell said the Twins are \$60 million below the league average and second-to-last in the league in team local revenues. According to league calculations, he said, new facilities have attendance figures of 3 million or more within 5 years.

Sen. Bob Kierlin (R-Winona) said it appeared to him the state would be left with nothing if the team defaults on the loan or go bankrupt, while the city will have a stadium to lease and gain possible revenue. Sen. Steve Murphy (DFL-Red Wing), after getting information from Bell, noted that no MLB team has gone bankrupt since the late 1960s. Bell added that if the team were to go bankrupt and default on the loan, the value of the team is guaranteeing the loan. Thus, he said, the team would become the property of the city. Sen. Kenric Scheevel (R-Preston) said he still needed assurance that the state would not come up empty-handed in such a situation. A no-interest loan needs collateral, he said.

Sen. John Marty (DFL-Roseville) objected to figures being used by supporters of the stadium proposal. He said proponents are claiming the Twins will be assuming 83 to 97 percent of the cost of the stadium. Bell said the 83 percent figure could represent the \$250 million team liability as part of the total \$300 million construction cost. Marty said the costs to the state will be closer to \$257 million when considering lost tax revenue and other factors. Dean Johnson said the other side of the ledger is the increased income tax revenue and rent-free use of the ballpark for state institutions of higher education and the state high school league.

Sen. Steve Kelley (DFL-Hopkins) asked if there were any provisions for repayment of the \$40 million captured

from the Xcel Energy Center bonds. Dean Johnson said the bonds were to be repaid into a fund used for amateur sports. As such, he said, amateur sports will be allowed to use the new stadium free of charge, or essentially in exchange for the \$40 million.

Under the bill, after the Minnesota Vikings' lease on the Metrodome expires, the Metrodome is transferred to the state. Sen. Warren Limmer (R-Maple Grove) asked why the bill assumes the state wants a facility no one else seems to want. We might have one two many stadiums in the Metro Area, he said. Dean Johnson said the Metrodome could still be used for concerts and other events.

Kelley offered an amendment placing a 3 percent interest rate on the \$100 million loan. Dean Johnson said he was initially opposed to the proposal, but has heard from other members that the amendment will help the bill succeed. The amendment was adopted.

Marty asked how the sales tax exemption on construction materials will be covered under budget targets. Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the committee, said the funds raised by taxing the construction materials are not expected revenue and thus do not affect the targets. Majority Leader Roger Moe (DFL-Erskine) explained further that exempting local units of governments removes a revenue stream currently tracked in budget projections. In the case of the stadium, there is no revenue stream currently being received by the state. Scheevel said the same argument could be used for power plants that would not be built but for a tax exemption from the state. However, he noted, the costs of exempting construction materials in those cases do have to be carried in budget projections. Pogemiller said the bill fits under the budget targets since new projections have been received.

Sen. Mady Reiter (R-Shoreview) offered an amendment requiring the state planning director to execute an agreement with MLB guaranteeing the continuance of a major league franchise in the Metropolitan Area for the term of the loan. Sen. Don Betzold (DFL-Fridley) said the National Basketball League had to commit to a franchise staying in Minnesota before the Target Center was built. Bell said it is common for local governments to want such an agreement, but MLB has not granted one in over 20 years. However, he

added, it is common for leases to contain language requiring that all outstanding bonds and loans must be repaid in full immediately if the team is leaving. Murphy asked if the team, not the league, would be willing to enter into an agreement requiring it to stay. Bell said the team will sign a binding 30-year lease and a clause requiring immediate payment of outstanding debt if the team leaves. Marty said that if the league is going to be involved in making threats by sending its commissioner to the Capitol, then Legislators have a right to demand a commitment from the league. Murphy said the team will already be on the hook. "I don't know what more the bill and Sen. (Dean) Johnson can do to give more comfort to the committee," he said. Sen. Linda Scheid (DFL-Brooklyn Park) said no one else is in a position to make a guarantee except the Twins. Reiter's amendment was adopted on a divided voice vote.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment requiring all steel-based construction materials for the ballpark to be made from domestic steel. The amendment was adopted.

Scheevel offered an amendment restructuring the financing of the stadium by requiring the team to provide \$150 million up-front, providing \$140 million in revenue bonds issued by the state and guaranteed by the team and \$10 million in the sales tax exemption. Under the amendment, the loan will bear an interest rate equal to the state's cost in borrowing the money.

Dean Johnson urged the panel to reject the amendment because it will make negotiations extremely difficult with the team. Scheevel said it is incumbent on Legislators to be good negotiators. A lot of

businesses, he said, would like to have the kind of access to public resources states offer baseball teams. The amendment failed on a 9-18 roll call vote.

An amendment, offered by Kelley, requires the team to use seven percent of the sale price of items sold at the ballpark to maintain and operate the stadium. The original proposal grants a sales tax exemption to items sold in the stadium. Bell said the exemption is only a benefit to the team if attendance figures are high and the team is competitive. The amendment was adopted.

Marty said the Twins have not really tried to raise private money for a stadium. The team has focused solely on public money, he said. Tomassoni said voting for the bill sends a message to MLB. Some players make as much or more per year than the entire Twins' annual payroll, he said. With the requirement that the league restructure its finances in the bill, Tomassoni said, the position that the league needs to change is solidified.

The bill was approved and re-referred to the Finance Committee on a 15-12 roll call vote.

Members also took up a proposal from Sen. David Johnson (DFL-Bloomington) to create a task force to study state involvement in a football stadium for the Minnesota Vikings professional football team and the University of Minnesota Gophers teams. Under the bill, S.F. 2045, the task force will be composed of six Legislators, five individuals appointed by the governor, two members appointed by the U of M's board of regents, two representatives of business and two labor representatives. The proposal requires the task force to consider design, construction and operation issues, financial options for

building the stadium, examples of stadiums shared by professional and collegiate teams in other states and methods used to construct, finance and operate new stadiums. Marty offered an amendment adding revenue considerations for the Vikings and the Gophers to the list of issues the task force must consider. The amendment was adopted.

Marty also offered amendments requiring the Vikings to disclose all financial records to the commission, requiring the task force members appointed by the Board of Regents to consult with the entire Board of Regents before voting on the task force's final report and requiring the city and county boards of any proposed site approve the site selection. The amendments were defeated.

Marty said a Vikings representative had said passage of S.F. 2045 is tacit acknowledgment of a stadium problem. Mike Kelly, Vikings executive vice president, said the statement was his and he stands by it. There are problems with the Metrodome for the Twins, Vikings and Gophers, he said.

Oliver asked what the U of M's position is on the stadium issue. University Vice President Eric Kruse said the issue is not a priority for the university. However, he said, it does want to be involved if multiple entities are talking about a new stadium and assuming the Gophers will play there. Marty offered an amendment requiring that the task force not consider using any public money for the stadium. "We can look at their needs and not use public money," he said. The amendment was defeated on a roll call vote, 8-11.

The bill was approved and re-referred to the Committee on Rules and Administration.



*A sea of laptop computers engulfs Senators' desks as the legislative session comes to a close.*

Photo by David J. Oakes

# Committee update

## Finance

### Profiling plan refined

The full Finance Committee met Thurs., May 10, to consider a number of bills, including the latest version of S.F. 386, a bill addressing racial profiling. The bill, having been heard and debated in a number of policy committees and budget divisions, was presented to the committee by Sen. Jane Ranum (DFL-Mpls.), the bill's chief author.

Ranum placed before the committee a final draft of the bill, one that she said reflects the ultimate negotiations that took place between communities of color and representatives of law enforcement. She said Senators acted only as moderators in the recent negotiations over the bill, in which interested parties worked to arrive at compromises they could all accept. The only requirements placed on law enforcement units, under the bill, are the development of policies and the providing of information about racial profiling to all drivers involved in traffic stops. On the collection of racial profiling data, the bill ties the collection to the availability of cameras for law enforcement vehicles. The bill provides funding for the cameras and for administering the data collection only for those units that agree to participate in the data collection. The bill also provides funding for officer training on the issue and for a public awareness campaign.

Ranum said the overall process the bill has been through was extremely difficult at times and she commended all the interested parties who stayed engaged in the discussion. "The Senate is a better institution today because we had the courage to discuss this issue openly," she said. Sen. Thomas Neuville (R-Northfield) said the bill represents a good compromise and added that he thinks the real strength of the bill is the process established whereby people are informed how to file a complaint when they believe they have been wrongly profiled.

Neuville pointed out that, under the bill, units may choose to buy their own cameras and not participate in data collection. Nathaniel Khaliq of the National Association for the Advancement of Colored People in St. Paul said his organization is satisfied that a significant number of law enforcement units will accept the collection requirements in order to receive funding for cameras and administration. Sen. Dick Day (R-

Owatonna) said he still can not support the bill because cameras are important for the safety of officers and should not be tied to participation in racial profiling data collection.

By a vote of 25 to 1, the committee approved the bill. The measure advanced to the full Senate.

Sen. Lawrence Pogemiller (DFL-Mpls.) presented S.F. 451, the omnibus pension bill. He successfully offered amendments to resolve two issues still lingering based on discussions of the bill. The amendments appropriate funding for a state share in resolving the shortfall in the Public Employees Retirement Association and clarify the use of charter school lease

aid for the payment of retirement benefits when a charter school closes.

Sen. Roy Terwilliger (R-Edina) offered an amendment allowing members of the Legislature to be eligible for Social Security and to collect retroactively upon enrolling. The amendment was adopted. The bill was approved as amended and advanced to the floor.

A bill addressing Article 9 of the Uniform Commercial Code, S.F. 1561, was presented by Sen. John Hottinger (DFL-Mankato). He said the bill makes necessary adaptations to conform the uniform law with existing practice by the state. Members approved and advanced the bill for consideration by the full Senate.



*Norwegian students, attending Hillcrest Academy in Fergus Falls, sang the Norwegian national anthem at the Capitol Thurs., May 17, in celebration of Syttende Mai, Norwegian Constitution Day.*

Photo by David J. Oakes

S.F. 1098, authored by Sen. Edward Oliver (R-Deephaven), moves enforcement of the Unfair Cigarette Sales Act to the Department of Commerce. He said all fiscal impact has been removed from the bill and the remaining provision is agreed upon by the departments involved. The bill was recommended to pass and forwarded to the floor.

S.F. 1438 was presented by Sen. Linda Scheid (DFL-Brooklyn Park). The bill provides for ratification of labor agreements and salary levels as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations. The bill also specifies the method whereby appointing authorities may recommend salaries and amends contract provisions for a chancellor, vice chancellor or president. The bill was approved and sent to the floor.

A bill, S.F. 1486, relating to the classification and replacement of wetlands was presented by Sen. Dan Stevens (R-Mora). He said all of the provisions with a fiscal impact had been amended out of the bill.

Members approved the bill and advanced it to the floor.

## Jobs, Housing and Community Development

### Appointees approved

Members of the Jobs, Housing and Community Development Committee assembled briefly Mon., May 14, to consider appointees to the Minnesota Housing Finance Agency, Department of Trade and Economic Development and Workers' Compensation Court of Appeals.

The committee approved the appointments to the MHFA Board of Directors of Lee Himle, insurance agency owner from Spring Valley, Marge Anderson, chief executive officer of the Mille Lacs Band of Ojibwe, and Marina Lyon, vice president of public affairs for the Pohlad Companies.

The committee also approved the appointments of Thomas Johnson and Miriam Rykken as judges in the Workers' Compensation Court of Appeals. Johnson has served as an appellate judge since 1992. Rykken has worked as a trial lawyer since 1987.

Rebecca Yanisch was approved by the committee to be the commissioner of the Department of Trade and Economic Development.

## Rules and Administration

### Redistricting plans debated

Several proposals for redrawing Minnesota's congressional districts were before the Rules and Administration Subcommittee on Redistricting Mon., May 14. Sen. Dave Kleis (R-St. Cloud) presented one plan, while Sen. Lawrence Pogemiller (DFL-Mpls.) outlined four slightly different redistricting plans.

Kleis said his plan recognizes demographic shifts and ensures that minorities are represented. The plan splits very few cities and counties, and meets the criteria set by both houses and the governor, he added.

Committee discussion centered around two aspects of Kleis' plan, both of which represent a significant departure from the current makeup of congressional districts. First, Kleis' plan creates a northern district that stretches across the state from east to west. Pogemiller suggested that the current division between Northwestern Minnesota and Northeastern Minnesota better preserves communities of interest. Committee Chair Roger Moe (DFL-Erskine) added that, with Kleis' plan, "You basically devastate any congressional influence of agriculture in our state." Kleis contended that the border with Canada and the Highway 2 corridor unite the area.

A second controversial point was Kleis' proposal to unite Minneapolis and St. Paul in one district. The plan, Kleis said, creates a minority opportunity district and recognizes the fact that about 45 percent of the state's population now resides in Metro Area suburbs. The proposal spurred a debate over whether suburbs have more in common with other suburbs, or with the urban areas they border.

Pogemiller said the distinction between Minneapolis and St. Paul has long been recognized. He added that there is not enough evidence of commonality across various minority groups to justify concentrating them all in one urban district. Sen. John Hottinger (DFL-Mankato) said that Minneapolis and St. Paul often work together with their respective suburbs. He also pointed out that African Americans have a large presence in Minneapolis, while St. Paul has a higher number of ethnic Asian minorities.

Pat Awada, mayor of Eagan, testified in support of Kleis' plan. She contended

that first and second tier suburbs have more commonalities than first tier suburbs and the urban center. Sen. William Belanger (R-Bloomington) agreed, saying that the suburban form of government, with part-time city councils and non-partisan elections, differs from the urban form of government. Sen. Thomas Neville (R-Northfield) listed several issues of specific concern to urban centers, including transit, welfare, housing and cultural attractions.

Pogemiller then presented his four proposals to the committee. All four plans put Minneapolis and St. Paul in separate districts and retain the vertical boundary between the northeast and northwest sectors of the state. Pogemiller pointed out problems with three of the plans, saying they dilute outstate influence or aren't very compact. A fourth plan, he said, makes the most sense. He said it creates relatively competitive districts with three predominantly Republican districts and five predominantly Democratic districts. In addition, he said, the plan creates three districts with double digit minority percentages, avoids splitting cities and counties, and makes no effort to protect incumbents. Kleis pointed out that the plan puts two Republican congressional incumbents in the same district.

Neville challenged Pogemiller to find any communities of interest unique to the Minneapolis district compared to the St. Paul district. Pogemiller said the difference between the two cities has been recognized historically and his plan adheres to the tradition of separating the two cities. Sen. David Knutson (R-Burnsville) contended that tradition was not intended to be a guiding principle for redistricting. "We're trying to recognize the changes in demographics and I don't think your map represents that at all," Knutson said. Sen. Myron Orfield (DFL-Mpls.) strongly opposed combining Minneapolis and St. Paul in a single district. He contended that no minority community of interest supports the Kleis plan. All plans were laid over.

### Congressional redistricting okayed

The Rules and Administration Subcommittee on Redistricting, chaired by Sen. Roger Moe (DFL-Erskine), advanced a plan for congressional redistricting Tues., May 15. The plan, proposed by Sen. Lawrence Pogemiller (DFL-Mpls.), gained approval over a plan drawn up by Sen.

# Committee update

Dave Kleis (R-St. Cloud). Members also debated a proposal, offered by Pogemiller, to redraw state legislative districts.

Discussion began with renewed debate over Pogemiller's and Kleis' redistricting plans. Kleis' plan combines Minneapolis and St. Paul into one district and creates a northern district that stretches the length of the border with Canada. Pogemiller's plan, on the other hand, retains the tradition division between Minneapolis and St. Paul and the division of the northern part of the state into an eastern Iron Range district and a western farming district.

Kleis reiterated his opposition to Pogemiller's plan, saying, "This map certainly doesn't reflect the demographic changes that have occurred, especially in the suburban area." Sen. Thomas Neuville (R-Northfield), in response to earlier charges that Kleis' plan lacks support from minority groups, listed representatives of the African American, Latino and Asian communities who testified when the plan was before the other body. Neuville charged that Pogemiller's plan to split the Twin Cities splinters minority groups and forces them to choose between their traditional Democratic base and a member of their own community. By combining Minneapolis and St. Paul, Neuville said, "The Republican plan is trying to give them a true opportunity of electing a minority member to Congress."

Sen. Richard Cohen (DFL-St. Paul) replied, "To suggest that the Republican caucus is looking out for minority communities is at best disingenuous." Cohen pointed out that several representatives of minority communities who testified in support of the Republican plan had been endorsed by the Republican caucus and were probably speaking on their own behalf. Pogemiller said he thinks the DFL plan increases the possibility that a minority candidate will be elected.

He then moved to incorporate his redistricting plan into S.F. 2378. The motion prevailed on a 7-4 roll call vote.

Kleis countered by offering an amendment to replace Pogemiller's map with the Republican map. Pogemiller criticized Kleis' plan as disruptive to the historical "four corners" district pattern in the state. Kleis replied that tradition was never adopted as a guideline for redistricting. Kleis' amendment failed on a 4-7 vote. S.F. 2378 was sent to the full Rules Committee with a recommendation to pass.

Pogemiller then outlined a proposal for redrawing the boundaries of state House and Senate districts. The plan reflects a population decrease in the northwest and southwest parts of the state, as well as in the inner-ring suburbs, and a significant increase in the population of the outer-ring suburbs, he said. Under the plan, 18 incumbents are paired and 9 open seats are created. Of the incumbent pairings, five are between Republicans, three involve a Democrat and a Republican, and one matches a Democrat and an Independent.

Sen. David Knutson (R-Burnsville) asked how so many Republicans could be paired, in light of the fact that population increased in many Republican districts but in few Democratic districts. Pogemiller said the pairings are merely a function of where people live. "I tried to do the best I can to represent communities of interest in the state and create some open districts," he said. Kleis said the plan seems gerrymandered, since even Republicans who reside far from each other end up in the same district. "I didn't think you could get a more partisan plan than the 1991 plan, but this is it," he added. The proposal was laid on the table.

## Legislative redistricting okayed

The Rules and Administration Subcommittee on Redistricting advanced a plan to redraw state Senate and House districts Weds., May 16. The plan, presented by Sen. Lawrence Pogemiller (DFL-Mpls.), had already been the focus of much discussion the previous day. Sen. Dave Kleis (R-St. Cloud) revived criticism over the perceived partisan nature of the plan, which contains five pairings of Republican incumbents but no pairings of Democratic incumbents. Kleis pointed out that Sen. Don Betzold (DFL-Fridley) and Sen. Satveer Chaudhary (DFL-Fridley) live less than a mile apart, yet remain in separate districts under the DFL plan, yet boundaries are drawn in such a way as to bring Sen. Michelle Fischbach (R-Paynesville) and Sen. Mark Ourada (R-Buffalo), who live 45 miles apart, into the same district.

Pogemiller said the plan is not a function of partisanship, but the result of trying to recognize communities of interest. Sen. Thomas Neuville (R-Northfield) replied, "Not for a second do I really believe these districts were drawn without knowing where the incumbents live."

Pogemiller said he was surprised that the Republicans are dissatisfied with the plan, since it creates only 29 districts with a statistical Democratic plurality, and 38 with a Republican plurality. His aim was to create a competitive map, he said. Pogemiller also pointed out that the Republican redistricting plan, now under consideration in the House, pairs a disproportionate number of Democratic incumbents.

Sen. Myron Orfield (DFL-Mpls.) said Republican charges of partisanship are based only on anecdotal evidence. He challenged Republicans to use a statistical index to support their claims of gerrymandering.

Finally, Pogemiller offered an amendment to incorporate the map under discussion into S.F. 2377. The amendment also incorporates the congressional redistricting plan, approved on Tuesday, into the same bill. The amendment prevailed on a 7-3 roll call vote. The bill was also sent to the full Rules Committee on a 7-3 vote.

## Redistricting plans okayed

The full Rules and Administration Committee met Thurs., May 17, in order to take action on the redistricting plans developed by the Rules and Administration Subcommittee on Redistricting.

The panel, chaired by Sen. Roger D. Moe (DFL-Erskine), approved the DFL plan as it emerged from the subcommittee with only minor changes. The bill, S.F. 2377, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), contains the redistricting plans for both congressional and legislative districts. Pogemiller offered an amendment that made several changes to the district boundaries contained in the original bill. He said the change unpairs two Republican Senators who had been placed in the same district.

Sen. William Belanger (R-Bloomington) offered an amendment to the amendment. Belanger said the amendment contained the House redistricting plan. The plan developed by the Republican majority in the other body redraws the legislative district lines quite differently. The amendment failed on a party line 6-10 roll call vote.

The Pogemiller amendment was adopted on another party line 10-6 roll call vote. The bill was then approved and advanced to the floor in another 11-6 party line vote.



In other action, the committee heard the report of the Subcommittee on the Senate Audit, acted on routine personnel matters and reviewed two late bills. The late bills, S.F. 2368, authored by Sen. Steve Murphy (DFL-Red Wing), granting emergency authority to the Animal Health Board in the event of a breakout of dangerous domestic animal diseases and S.F. 2328, carried by Sen. Randy Kelly (DFL-St. Paul), a resolution to railroad employees benefits eligibility, were both advanced to the floor.

Members also adopted a routine closing resolution providing for the operation of the Senate during the interim.

## Taxes

### Annual bills passed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), took up two bills Weds., May 16. Both bills, carried by Pogemiller, are considered fairly technical in nature and are handled on a regular basis by the committee.

S.F. 2208, the annual public finance bill, makes a variety of changes regarding local levy authority provisions. Two amendments generated debate among committee members. The first, offered by Sen. William Belanger (R-Bloomington), grants Scott and Carver Counties the authority to offer tax-forfeited land to the counties' housing and redevelopment authorities (HRAs) before the land is made available to cities. Belanger said the language has the full support of both county boards and is identical to a provision adopted two years ago for Dakota County. Sen. Michele Bachmann (R-Stillwater) said that, since the HRAs do not have taxing authority, the land should go from the counties to cities and then to the HRAs. Sen. Gen Olson (R-Minnetrista) said the amendment merely removes an unnecessary step, as the cities already want the land to go to the HRAs. The amendment was amended to require the cities to support the direct passage of the land from the county to the HRA. The Belanger amendment was adopted.

Sen. Sandra Pappas (DFL-St. Paul) offered an amendment authorizing the city of St. Paul to issue general obligation bonds to finance improvements to the city's technology infrastructure. The bonds, under the proposal, may not exceed \$50 million and no election is required to authorize their issuance. Pogemiller

questioned the city's request and said the city was asking too much. Under current law, he said, capital notes are not allowed for software. Pogemiller said the original bill allows cities to bond for software, but St. Paul wants even more authority. Sen. Kenric Scheevel (R-Preston) said he is concerned about the number of requests from St. Paul to bypass voters for levies. Sen. LeRoy Stumpf (DFL-Thief River Falls) said that bonding for software should be a statewide proposal, not specific to a city. A representative of the city of St. Paul said the new software is needed, but it will not be an easy sell to voters if the city must put the question on a referendum ballot. The amendment was adopted.

The committee also considered S.F. 2345, the annual bond allocation bill. Pogemiller said the bill sets guidelines for how tax-exempt bonding authority granted to the state will be doled out. Tonja Orr, Housing Finance Agency, said this year's bill includes an unusually large amount because of an increase in the cap set by the federal government. She said the bill puts a higher percentage into the housing pool than last year's bonding and reduces the bond allocation to the small issue pool. S.F. 2345 was amended into S.F. 2208.

S.F. 2208 was recommended to pass and advanced to the floor.

## Conference Committees

### Environment and Agriculture

#### House, Senate bills compared

Members of the House and Senate met Fri., May 11, for a conference committee on the environment and agriculture omnibus appropriation bill, S.F. 2351. The committee is co-chaired by Sen. Leonard Price (DFL-Woodbury) and Rep. Mark Holsten (R-Stillwater). The meeting was largely devoted to a comparison of the House and Senate bills presented by committee staff.

In total, the Senate bill spends \$29.339 million more than the House bill. The largest differences between the bills are in the environmental area. The House version eliminates the Office of Environmental Assistance (OEA) in 2003,

transferring some of its responsibilities to other agencies, for a savings of \$20.8 million. The Dept. of Natural Resources (DNR) receives about \$30 million more in the Senate than in the House version. DNR programs funded by the Senate, but not the House, include the Forest Resources Council, Metro Area parks, the county biological survey and \$1 million to match the non-game income tax form checkoff. The House version, however, provides more than the Senate version for certain parks and recreation projects, forest logging management, fish stocking and habitat, and conservation officers.

With respect to the Pollution Control Agency (PCA), the Senate, but not the House, provides funding for programs such as malformed frog research and mobile source pollution prevention. The Senate bill also includes about \$4 million for feedlot programs under the jurisdiction of the PCA, while the House funds similar programs under the jurisdiction of the Dept. of Agriculture (MDA).

In the agricultural area, both bodies reject the governor's proposed cuts to the dairy diagnostics program. Programs funded in the Senate bill, but not the House bill, include support for grazing management, beaver damage control, and agriculture in the classroom. The House version differs from the Senate in funding a \$720,000 wheat/barley ethanol plant, and in supporting the governor's requested \$430,000 increase in the Minnesota Certification program.

The two bodies differ significantly in the base salary adjustment for all agencies: the House version provides a one percent increase and the Senate a three percent increase. The House version also halves the traditional funding for the Minnesota Horticultural Society and provides no funding for the Minnesota/Wisconsin Boundary Commission.

The House and Senate also part ways in two significant structural changes to funding. The Senate bill accepts the governor's proposal to reconsolidate several separate funds at the PCA into a single Environmental Fund, in an effort to address budget problems at the agency. The House bill does not incorporate this change.

Secondly, the Senate bill provides that 100 percent of lottery in-lieu-of-sales-tax proceeds be allocated to natural resources funds, while the House bill retains the current 87 percent level.

# Committee update

A final area of concern involves funding for the Conservation Reserve Enhancement Program (CREP), which leverages matching federal dollars to purchase conservation easements along the Minnesota River Basin. The Senate bill provides \$2.034 million for CREP implementation, and the approximately \$45 million required to purchase easements is provided in the bonding bill. The House version of the agricultural and environment appropriations bill provides \$20.7 million from the general fund to purchase easements, since the House has produced no bonding bill.

## Project funding reviewed

The conference committee on S.F. 2351, co-chaired by Sen. Leonard Price (DFL-Woodbury) and Rep. Mark Holsten (R-Stillwater), compared House and Senate versions of the omnibus environment and agriculture funding bill Weds., May 16. Differing appropriations in the two bills led to considerable debate.

Lisa Thorvig, deputy commissioner of the Pollution Control Agency (PCA), began the evening's proceedings with a discussion of malformed frog research. Research efforts are well established, Thorvig said, but a \$90,000 per year reallocation from the listed metals program is needed to support field work involving collection of malformed frog samples. The Senate bill includes the reallocation, while the House bill has no funding for malformed frog research.

Next on the agenda was the multi-agency feedlot initiative involving the PCA, the Dept. of Agriculture (MDA) and the Board of Water and Soil Resources (BWSR). Ron Harnack, BWSR, said the House bill establishes a \$3.4 million feedlot program at the MDA. Such a program would be acceptable, Harnack said, as long as BWSR continues to administer the cost-share program. Otherwise, a duplicative program would need to be established at the MDA, he said. Harnack stressed that the cost-share

program should allow the agency to provide assistance that takes into account the economic viability of the farm, rather than investing state money in environmental improvements at an operation that shuts down after a few years.

Rod Massey, PCA, said the House bill fails to provide funding to support the delegated county program, thus creating an unfunded mandate. Jim Boerboom, MDA, stressed the importance of the feedlot information and assessment team (FIAT) program, which ensures that financial assistance goes to operations that have a future. The Senate bill funds the program, while the House bill does not.

Next, Jim Sieben spoke for the Minnesota-Wisconsin Boundary Area Commission. The commission coordinates river activities in portions of the St. Croix and Mississippi Rivers that form the boundary between the two states, he said. The Senate bill provides \$393,000 for the commission, while the House bill provides no funding. "I think the state of Minnesota



Sen. Jim Vickerman (DFL - Tracy), left, and Sen. Cal Larson (R - Fergus Falls) greet children from St. Paul's Downtown Kindergarten in the Governor's Reception room of the Capitol on Wed., May 16. Both Vickerman's wife, Wawa, far right, and Larson's wife, Loretta, not shown, are volunteer readers at the facility.

Photo by Shelley Hawes

and the state of Wisconsin would be at a loss without the boundary commission," Sieben said. Rep. Tom Osthoff (DFL-St. Paul) questioned whether the Metropolitan Area gets any benefit from the commission's activities. Sen. Jane Krentz (DFL-May Township) said the commission is a fiscally responsible investment, since its members serve on a volunteer basis.

House members also had extensive questions about a DNR request for \$100,000 each year to implement a cooperative management plan along the Lower St. Croix River. Osthoff suggested that the plan will do nothing to enhance plans that already exist in local communities. Sieben stressed that the Lower St. Croix is a well-preserved river in an urban area, and needs a uniform plan to ensure its continued ecological health.

The committee moved on to a proposal to fund ring dikes. Kent Lokkesmoe, DNR, said that, since the 1997 floods in the Red River Valley, almost 200 dikes have been built to protect farms from flooding. The Senate provides \$750,000 for dikes; the House provides \$568,000. Rep. Tim Finseth (R-Angus) said he thinks both sides agree that the project is important and just need to agree on the funding level.

Lokkesmoe also discussed funding for the Red River Basin mediation process. The mediation process has greatly improved relations among stakeholders in the Red River Watershed Area, he said. The Senate bill provides \$850,000 a year for the mediation process, while the House bill does not fund the process. Finseth mentioned local dissatisfaction with some of the projects arranged by the mediation board. Holsten said the Senate appropriation is likely to fund only people talking, not actual projects. Lokkesmoe replied that advance planning ensures that projects are fully understood and agreed upon.

The Mississippi Headwaters Board was next on the agenda. The House bill accepts the governor's cut to the program, while the Senate bill restores \$40,000 annually. Price said the board gets people to cooperate on use of the river, and the Senate provided the traditional funding level. Osthoff said that monitoring of Mississippi water quality is included elsewhere in the House bill, and suggested that a complete reevaluation of waters programs across the state is needed.

Both the House and Senate bills provide \$5.268 million a year through

BWSR for natural resources block grants to local governments. In addition, the Senate earmarks \$50,000 for the North Shore Management Board, \$35,000 for the St. Louis River Board, \$100,000 for the Minnesota River Basin Joint Powers Board and \$27,000 for the Southeast Minnesota Resources Board. "These boards have been effective, they have been efficient, and I think they play an important role in achieving a comprehensive approach to water management," Harnack said. Holsten said the House does not fund the boards because individual boards should not receive preferential treatment.

Steve Morse, DNR, discussed plans for a Mississippi Whitewater Trail in Minneapolis near St. Anthony Falls. A study funded by the Legislature found the project feasible and the Senate bill provides \$210,000 to move ahead with the preconstruction and land acquisition process, Morse said. The House bill does not fund the project. Holsten said the city of Minneapolis has shown little active support for the project. Rep. Dennis Ozment (R-Rosemount) said the projected \$20 million total cost for the park is almost unprecedented for an environmental project. Morse said the park will be a unique feature in the country. Minneapolis has passed resolutions supporting the project, he said, but the park is envisioned as being operated and constructed by the state.

The Senate bill provides \$100,000 to develop a canoe route along the Red River. A large investment is necessary because of the length of the route, said Dennis Asmussen, DNR, but local groups are enthusiastic about its recreation potential. The House bill does not fund the route.

An appropriation for Metro Area regional parks spurred a long debate over the use of lottery in-lieu-of-sales-tax proceeds. The House provides \$5.131 million for the parks, and the Senate provides \$5.942 million. The difference results from the fact that the Senate dedicates 100 percent of the proceeds to natural resources and the House only 87 percent. Debate centered around the fact that the House bill provides line item appropriations for certain specific projects, while the Senate provides a block grant to the Metropolitan Regional Area Parks Council. The line item appropriations disrupt local cooperation among metropolitan communities and go against the

policy for lottery-in-lieu proceeds, Krentz said. Osthoff replied that the Legislature has always used its authority to pinpoint individual projects for funding.

In a separate appropriation for metro parks, the Senate provides \$6 million and the House \$3 million for daily park operation. Krentz pointed out that the parks are more heavily visited than state parks.

Edgar Olson, executive director of the Agricultural Utilization Research Institute (AURI), discussed a \$200,000 program to help farmers use pesticides efficiently. Finseth said the program is unlikely to reduce pesticide use significantly, since cost pressures already push farmers to use as little pesticide as possible. Olson said the program is helpful in getting farmers to ask themselves how much pesticide is enough.

## Family & early childhood ed

### Care and ed services highlighted

The early childhood education conference committee met Fri., May 11, to compare and discuss the Senate and House versions of H.F. 1515, the early childhood education omnibus appropriations bill. The five hour meeting was mainly dedicated to presentations of dissimilar policy provisions in the bill.

Although both the Senate and House bills consolidate child care programs, the funding approach for child care assistance varies dramatically in each version. According to staff, the Senate version funds the child care assistance program by forecasting funds and the House uses a capped allocation based on actual available funds. Staff said the House version may eliminate some program participants while the Senate version ensures funding for all program participants.

Different mechanisms by which child care assistance eligibility is determined were also explained by staff. The Senate version uses the state median income, which is \$67,140, for a family of four to determine eligibility. This means that a family of four may stay on the plan until the family income reaches 75 percent of SMI or approximately \$50,000. Under the House version, the federal poverty guideline for a family of four, which is \$17,000, is the determinate of child care assistance eligibility. The House version requires participant's having an income of at or below 250 percent of the federal

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poverty guidelines, adjusted for family size, qualify for child care assistance. Thus, under the House version, a family of four exits the program when an income level of about \$42,500 is reached.

Sen. Julie Sabo (DFL-Mpls.) said the Senate child care assistance plan drops families from the program over time and asked where the House sees the decline in families eligibility. Rep. Bill Haas (R-Champlain) said the House plan has participants dropping off the top and adding to the bottom of the eligibility limits. Staff indicated that the theory underpinning the Senate plan is that families need a graduated payment plan longer until self-sufficiency is attained.

Regarding another Senate provision, Rep. Richard Mulder (R-Ivanhoe) asked for an explanation of demonstration projects, a provision authored by Sabo. She explained that the purpose of the projects is to implement a coordinated community system that builds upon existing early childhood care and education services to provide a full continuum of services for young children. Additionally, the projects collect the data necessary to measure outcomes and to develop a statewide funding formula for distributing funds to individual service sites, she said.

Mulder asked if there was a maximum number of demonstration projects forecasted. Sabo said, "The number of projects has not yet been defined because we want to deliver as many as possible and build on existing programs, streamlining the process and services." Rep. Bud Nornes (R-Fergus Falls) questioned how long the projects would run. Sabo said the first year of demonstration projects, 2003, is designed to establish groundwork and bring together demonstration communities for project information dispensing. "Approximately six months later, they will begin serving children," she said.

## Health, Human Services and Corrections

### Similar provisions adopted

The conference committee on the omnibus health, human services and corrections appropriations bill, co-chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Kevin Goodno (R-Moorhead), met Weds., May 16, to adopt similar provisions included in both versions of the bill. Berglin said since targets were not yet

available, discussion of monetary provisions would be limited.

Beginning with the portion of the bill related to the Department of Corrections, the committee adopted a provision allowing the commissioner to contract with other states, the federal government or local units of government to rent beds in the Rush City facility at a per diem rate equal to or greater than the per diem cost of housing Minnesota inmates. Other corrections related provisions were adopted to further the department's efforts at cost reductions and income generation. The committee adopted a provision requiring that any search conducted to fill the position of executive director of the Sentencing Guidelines Commission must be done on a statewide basis. Salary ranges for judicial positions were established and salaries and appointments to the Office of State Public Defender were defined under adopted Senate provisions.

Department of Health provisions in the bill are drawn from S.F. 2631 and H.F. 1832. Adopted portions include the authorization of the Senate's version of suicide prevention activities, increases in fees for food and beverage service establishments and the authorization of the Metropolitan Airports Commission to adopt local regulations for plumbing permits, bonds, approval of plans and other standards. House language was adopted to provide specified rights for persons receiving home care services and to direct the commissioner to work with employers, safety councils and professional associations to support employees with psychiatric illnesses and substance abuse disorders. Members also approved a provision authorizing the commissioner and the Board of Nursing to conduct a study of the Nurses Practices Act in relation to current practice related to administering medications in schools. Other adopted Senate provisions include licensing, permitting and other fees related to hospitals, nursing homes, clinics for handicapped children, medical and environmental laboratories, boarding care homes and supervised living facilities. House language pertaining to establishing safe drinking water or air quality standards and building construction or modification regulations was approved.

A provision, authored by Sen. Sheila Kiscaden (R-Rochester), was adopted to create a purchasing alliance stop-loss fund for claims paid by a health plan company

on behalf of a qualifying enrollee. Other adopted provisions authorize the commissioner to collect the federal rebates on prescription drugs dispensed or administered by outpatient facilities and authorize the commissioner to contract with federally recognized Indian tribes to provide early and periodic screening, diagnosis and treatment administrative services to Indian children. Other provisions that were adopted authorize expanded coverage for specified Medical Assistance (MA), such as oral language interpreter services and case management services to vulnerable adults and persons with developmental disabilities. A provision allowing enrollment in the integrated long-term care services demonstration projects for persons with disabilities to remain voluntary was also adopted.

Other portions of the bill were adopted, including a provision to implement information, education, intake process and other services related to long-term care consultation services and a provision clarifying the alternative care allocation formula. A provision limits the alternative care program to persons aged 65 or older who are not eligible for MA without a spenddown or waiver obligation, but who would be eligible within 180 days of admission to a nursing facility. Members also adopted House language for establishing a new case mix assessment system for nursing facility residents and Senate language for allowing a reimbursement to counties of up to \$400 per closing bed in nursing homes, for costs directly related to their role in the relocation process.

Senate proposals for long-term care insurance were adopted, including regulation of premium increases and nonforfeiture benefits. Under the mental health and civil commitment portion of the bill, a provision was adopted to prohibit a health plan from excluding or reducing coverage on the basis that the need for health care arose out of a suicide or attempted suicide by the enrollee.

Members also adopted House language to establish a program to help counties in providing services for children with severe emotional disturbance and other related transition services. The emergency hold provisions outlined by the House bill were also adopted. A provision clarifies that emergency hold involves detention rather than restraint and strikes the requirement that danger must be

imminent in order to allow an emergency hold. It also provides that if a proposed patient is brought in by another person, the examiner must make a good faith effort to obtain and consider information from that person in regard to a possible emergency hold and requires that the examiner ask if the proposed patient has a health care directive or advance psychiatric directive.

Another mental health-related provision that was adopted is the establishment of a continuing care program for persons with mental illness to allow them to obtain acute care inpatient hospital treatment for mental illness for up to 45 days beyond that allowed by a diagnostic category. Also adopted were provisions allowing coverage for MA adults for rehabilitative mental health services, provided the services are identified in the recipient's treatment plan. A provision was adopted to amend the child protection chapter by authorizing the court to order a child's health plan to cover mental health services for children in need of protection or services, and prohibits the transfer of custody away from the parents in order to access special treatment or care.

## Higher Education

### Higher ed bill discussed

The members of the conference committee on the omnibus higher education appropriations bill met Fri., May 11, to discuss three subjects contained in the measure. Members also adopted an amendment that incorporates identical and near identical language into the compromise version.

The panel, chaired by Rep. Peggy Leppik (R-Golden Valley), began by discussing the talented youth math program. Clinton Pettigrew of Mankato State University explained the program and said that the governor indicated he was not convinced of the need for the program. The House version of the bill continues the core program and adds one more region. Pettigrew said that the expansion to another region would be accomplished both through partnering with another MnSCU institution and through distance learning.

Members also discussed a provision requiring higher education institutions to charge high schools for remedial education courses needed to begin a higher education curriculum. Rose Hermandson from the Dept. of Children, Families and

Learning said the department anticipates the need for remediation will decrease significantly with the implementation of the graduation standards. The speakers also said that the charge back provision does provide for more accountability and illustrates the real cost of providing remediation. However, two presidents of community and technical colleges said they opposed the provision. Ann Wynia of the Minneapolis Community and Technical College said that the institution is an open admission institution and that the provision is another barrier for students.

Members also discussed provisions relating to the tobacco endowment. Jan Malcolm, commissioner of the Dept. of Health, described the programs developed using the funds earmarked for smoking prevention programs. Malcolm said the program is trying to emulate the successful tobacco industry marketing campaign. Rep. Doug Stang (R-Cold Spring) questioned oversight of the program and whether funds are used appropriately. Malcolm said the questions were appropriate and that she could provide further information. Ultimately, Malcolm said, the only measure that counts is a reduction of youth smoking.

Finally, members also adopted the amendment that incorporates identical and technical language in both bills.

## Jobs, Housing and Community Development

### Housing differences discussed

The Thurs., May 10, meeting of the conference committee on jobs and economic development focused on the policy issues related to housing. Sen. Ellen Anderson (DFL-St. Paul) chaired the meeting.

The first issue discussed by members was a program for replacement of manufactured housing. Both bills include funding to buyout some or all of the cost of older housing to encourage owners to improve their property and upgrade the overall housing stock. In the House version, there is a cap on the buyout amount of \$3,000, while the Senate version limits the amount to the value of the home. The House bill also requires that owners be qualified to participate through a financial institution so that they can get a loan to put toward buying a newer home.

James Paiste of the All Parks Alliance for Change said a \$3000 cap provides no

incentive for people whose homes are worth a lot more than that. On behalf of the Minnesota Manufactured Housing Association, Mary Krinkie said, since a relatively small amount is being made available, a cap helps limit the programs that have the lowest values and are thus most in need of replacement. She added that, for homeowners with a value well below \$3,000, giving them just the market value is no incentive either. Anderson said the Senate language could be modified to make the buyout amount the greater of \$3,000 or the market value. Rep. Dan McElroy (R-Burnsville) suggested that, regardless of the amount of the buyout, the standard for participation in the program can be tied to the remaining useful life of the home since the object is to replace the most run-down properties.

On the requirement for approval by a financial institution, Paist said the requirement is counterproductive since the families most in need of the buyout are the least likely to qualify for a loan. Krinkie said there has to be some assurance that the owners will buy a new home or there's no point giving them the buyout money. McElroy said the scope of institutions that can qualify owners may need to be broadened to make it more likely that those in need can qualify.

Next, members discussed the Senate bill's provisions outlining an expansion of incentives for the development of inclusionary housing. Russ Adams of the Alliance for Metropolitan Stability said the program is a balanced, market-driven solution to the housing crisis. He said developers and local governments are given flexibility and key incentives that have worked in other areas of the country.

Debra Burke of the Minnesota Builders Association said she supports the density bonus mandated as an incentive for developers, but objects to language in a separate section of the bill clarifying cities' authority to impose affordable housing requirements of their own. She said mandating affordability, without offering broad options for regulatory relief and public subsidy, discourages development. Cohen said cities already have the authority and added that Minneapolis and St. Paul already successfully use mandates for affordability.

Glenn Dorfmann of the Minnesota Association of Realtors said the Senate version will cause everyone to pay more for housing and added that the problem of

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affordability is better addressed through property tax reform. Gene Ranieri of the Association of Metropolitan Municipalities listed a number of objections to the inclusionary housing language and said many areas are addressing the problem adequately through the current voluntary program.

Sen. Julie Sabo (DFL-Mpls.) addressed visitability requirements in the Senate bill. The provisions require new, state-funded, residential construction to have at least one no step entrance, a half-bath on the first floor, and 32-inch clear doorways. McElroy said the provision may have a detrimental effect on affordability. Sabo said the provision allows flexibility in applying the requirement in cases where affordability might be affected. Rep. Chris Gerlach (R-Apple Valley) said mobile homes may have to be excepted from the 32-inch doorway requirement. Tonja Orr from the Minnesota Housing Finance Agency said an exception may be required for first time home buyers so as to not limit their choices. Sabo said that, since the requirement only applies to new construction, she does not object to the exceptions mentioned.

Next, Orr discussed another difference between the two bills. She highlighted the creation of a disaster relief contingency fund in the House bill. She said the money appropriated into the fund, some of which is set aside for tornado damage in Granite Falls, comes from unspent funds from FY 97 and FY 98 that otherwise cancels back to the general fund. Another reappropriation in the House bill directs an unspent \$420,000 from a neighborhood trust toward programs for homeless veterans. Orr explained that, for both reappropriations, statutory language was necessary.

As discussed in the previous meeting, the Senate bill provides money for homeless veterans, family homelessness prevention, capacity grants and a number of other programs by appropriating a total of \$75 million from FY 01. McElroy said the one-time money from FY 01 is the most difficult issue in the Senate bill. He said the House will not accept the spending of one-time money based on the belief that tax relief, now and in the future, is the way to make housing affordable. Anderson said the private market alone has not and will not solve the housing crisis and added that the Senate sees a need for significant investment now and for adequate permanent funding.

## Workforce policy delineated

The conference committee on H.F. 2846, the omnibus appropriations bill for jobs, housing, and economic development, continued late into the evening on Fri., May 11. Legislators and staff continued to lay out and discuss the ways in which the two bodies' versions of the bill differ. Chairing duties rotated back to Rep. Dan McElroy (R-Burnsville) and the policy discussion focused on aspects of workforce development.

One area addressed more substantially in the Senate version is the make-up and function of the Job Skills Partnership Board (JSPB). The Senate bill specifies that the JSPB is the state's lead agency on workforce development and grants authority for staffing and office space. The board is required to draft performance standards for training programs and to report recommendations annually to the Legislature. Membership on the board is also modified under the Senate proposal, increasing the number of members from 12 to 13 and reducing to 7 the number appointed by the governor. The bill specifies that four members of the board, two each from labor and business, must be members of the governor's Workforce Development Council (WDC). Other members the bill specifies are a representative of non-profit training providers, the chair of the WDC, the president of the U of M (or a designee), and one non-Legislator appointee each by the House and Senate.

The House version requires one representative on the board from both the technology industry and the job skills training industry and limits any member to two four-year terms.

The Senate bill also modifies the WDC, creating an executive committee made up of representatives of business, labor, higher education, and community-based organizations. The committee is required to create performance standards for workforce centers and report annually on the centers' performance. In addition, the committee is required to develop a strategic plan that examines the possibility of consolidating or eliminating centers.

Rep. Chris Gerlach (R-Apple Valley) said the workforce and economic development transition team will surely examine the effectiveness of the board and council. He said the Senate proposal may be premature. McElroy said it's more important to do it right than to do it fast.

Johnson said the state has been waiting long enough for real progress on workforce program reform. The redesign of the various departments, he said, is little more than "moving some boxes around" without any real immediate plan for actually improving services.

Apart from the timing of the plan, Johnson spoke to its merits by saying that there is no accountability for workforce centers and that the WDC lacks independence as a resource for policy-making. Since the WDC cannot be eliminated all together, he said, the Senate proposal is designed to weave the council's membership together with the JSPB and to transfer the policy authority to the board. On the accountability standards and strategic planning, Johnson said the state needs to ensure that the limited resources available for workforce development need to be maximized for the greatest overall efficiency and impact.

Both bills address specific aspects of the reorganization of workforce and economic development departments. The House bill creates the Minnesota Department of Jobs, Economic Development and Training (MNJET) and has a number of specific provisions regarding consultation to be provided to the transition team. The Senate bill creates a combined/renamed Department of Economic and Workforce Development (DEWD) and a new Department of Labor. Other differences exist in the transfer of programs and the makeup and duties of the transition team.

A second key area of difference in the two proposals is the handling of appropriations from the workforce development fund. The House bill amends the distribution of funds relative to large and small layoffs by removing the 60/40 split required of state funds. Under the bill, \$12 million is appropriated and the entitlement is removed, leaving it to the JSPB to distribute the funding through negotiation and by soliciting requests for proposals. McElroy said the current split requirement is too inflexible and creates waiting lists in some areas and not in others.

Sen. Ellen Anderson (DFL-St. Paul) said that, regardless of flexibility, \$12 million is not enough because of the slowing economy and growing numbers of layoffs. Lee Haugen of the Minnesota Workforce Council Association said there is a current need of \$12 million for small layoffs alone. McElroy said the request for proposals approach will encourage



*Abandoned briefcases line the capitol corridors Tues., May 15, as a power outage in the Capitol complex forced a temporary suspension of legislative activity.* Photo by Shelley Hawes

creativity and efficiency in how the money is used to address needs.

The House bill also repeals the displaced homemaker statute and funds the program instead with competitive grants. The Senate bill increases funding for dislocated homemakers and provides funding for distance grants and paid leave for parents or bone marrow donors. A job gap pilot to provide training for people who are below 200 percent of poverty, but ineligible for MFIP, is funded exclusively by the House. The House bill also includes a teacher loan forgiveness program, which is funded by the Senate in the K-12 Education bill.

In both bills, .02 percent of the .07 percent workforce development fund assessment goes toward an unemployment insurance technology initiative. The House leaves the tax at .05 after the initiative is funded but the Senate leaves the .02 in place to keep the tax at the current level of .07 percent.

In other miscellaneous provisions, the Senate requires information about training be provided for certain unemployed or

underemployed persons and commissions a study on pay equity. The House bill includes a provision that prohibits targeted training that reflects a government entity's preference for a particular industry or skill set.

### **Economic development debated**

Extended unemployment benefits for laid-off workers were at the center of debate Weds., May 16, at the conference committee on S.F. 2486, the jobs, housing and community development omnibus bill. Rep. Dan McElroy (R-Burnsville) chaired the meeting where the Northstar Research Coalition and domestic dislocated workers program were also discussed.

The Senate bill permits employees laid-off from Fingerhut in Mora, Onan Power in Nicollet County and M.E. International in St. Louis County to collect 13 additional weeks of unemployment benefits. The House bill does not authorize any additional benefits for the three groups of workers, Elroy said, because their situations do not meet standards of need the governor outlined when he

approved more payments to LTV workers. In order to qualify for additional benefits, Elroy said, a workplace should be in a remote area, the business bankrupt, the employees in training and more than 50 people laid-off.

Jack Weidenbach, from the Department of Economic Security, said usually additional unemployment benefits are given out only if an area has an unemployment rate over ten percent. However, he said, in Mora the unemployment rate reached nine percent. He also said the department is giving out twice as much unemployment compensation now as it was a year ago. The unemployment insurance fund, he said, is not solvent according to federal standards.

Sen. Richard Cohen (DFL-St. Paul) and Sen. Steve Kelley (DFL-Hopkins) joined the committee to present their Northstar Research Coalition initiative, which promotes technological research and investment in cutting-edge business. The program is funded by the Senate bill, but not by the House bill. As outlined in the Senate bill, the coalition is a collabo-

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ration of the University of Minnesota and private industry that leverages the school's research capabilities into economic development results by funding research projects aimed at developing the state's economic interests. The Senate bill also includes provisions that require the State Board of Investments, which has a \$53 billion pension fund, to identify and put money into venture capital funds that invest in Minnesota-based start-up, high technology businesses.

McElroy said that although the funding for research and development and the investment provisions are not in the House bill, the tax credits for research and development and capital investment, which are part of Cohen and Kelley's plan, are in the House tax bill.

Cohen said the initiative is needed to keep Minnesota from slipping farther behind in the high technology economy. Kelley offered several examples of successful high technology initiatives in other states that fostered economic growth. Business representatives testified to the need for greater investment in Minnesota start-up companies.

The Senate and House also diverge on the treatment of the dislocated homemakers program. The Senate increases, by \$250,000, the current funding for the program, which provides career counseling for people who seek economic independence from a partner or spouse. The House reduces the funding for the program, by \$250,000, and requires that a request for proposals be issued for organizations interested in running the program.

McElroy asked how the program is kept accountable for the money it spends. He said that only about 40 percent of participants land jobs within a year. Laura Turner from the Department of Economic Security said the program's success rates are calculated every month and are available for review. She also said the program is considered a pre-placement program and offers counseling for people not yet ready for one stop workforce centers. The placement numbers, she said, do not reflect people who quit the program to seek the services of a workforce center.

McElroy asked why the governor had suggested eliminating the program in his budget proposal. Turner said that the governor assumed dislocated homemakers services could be provided by other programs. Yvette Oldendorf from the Department of Economic Security said the program is designed for people who have

been removed from the workforce for a number of years. The services, she said, teach individuals lessons about working culture that are not needed by people who have recently lost jobs.

Several technical differences between the House and Senate bills were also brought up for discussion. The House bill permits the city of Anoka to transfer library funds to the Anoka County Historical Society. McElroy said legislative authorization was needed because of a law written in 1963. Both Sen. Ellen Anderson (DFL-St. Paul), co-chair, and McElroy agreed to authoring legislation to repeal the law next year. The House bill also permits the Board of Accountancy to increase fees in 2003 and 2004. McElroy said the fee should only be authorized for one year and the board may come back again to request a second increase in 2004 if it is needed. Anderson and a representative from the board agreed with McElroy.

The House bill also includes a provision that allows the Department of Labor and Industry to collect additional information on workers' compensation claims in a database. Beth Hargarten from the Department of Labor and Industry said the information is needed to file claims online.

## K-12 Education

### Members divided on Profiles

The K-12 education conference committee met Weds., May 16, to continue discussing and comparing the House and Senate versions of the K-12 education appropriations bill. Members also discussed the House repealer of the Profiles in Learning (PIL), the structurally balanced budget provision and grade 7 testing.

Sen. LeRoy Stumpf (DFL-Thief River Falls), chair of the meeting, began by asking House members why they wanted to repeal the Profiles in Learning. Rep. Alice Seagren (R-Bloomington) said House members are unhappy with the progression of the Profiles, the lack of high standards in the Profiles and results are not meeting expectations outlined by proponents. Rep. Harry Mares (R-White Bear Lake) said no matter what the standards are, they aren't serving students if they aren't clear, challenging, understandable and measurable. He said funding is needed to do it properly. "We need to ask three questions. Do teachers have ownership in the program? Do they have parental support?

Can they sell it to the students? If not, we have problems," said Mares. He said the House isn't against standards but House members don't believe the Profiles are accomplishing the goals of having students grow and prosper.

Rep. Mark Buesgens (R-Jordan) said student's test scores for the last two years have declined. He said, "The House feels an urgency to repeal the Profiles for the sake of the kids we are here to help." An analysis of the Profiles led to opposition of the standards by the Achieve Report, the American Federation of Teachers, Educational Week, the Fordham Foundation and others, said Buesgens.

Seagren said, "The Achieve Report indicated that we are trying to do too much, we are spread too thin and we should focus on core academic areas." Sen. Steve Kelley (DFL-Hopkins) said the Achieve Report also indicated ways to correct the Profiles as did the commissioner. "Rather than abolishing the Profiles, I see a lot of good work to be done."

Rep. Robert "Bob" Ness (R-Dassel) said, "The House felt the department's response to the report lacked substance, direction and resolve." Sen. Sandra Pappas (DFL-St. Paul) disagreed and said, "All the needed changes to the Profiles can happen without throwing the whole thing away." Further, she indicated that districts are given authority to choose and focus on four core areas in the Profiles.

Kelley said employers are saying that more students need to be reached consistently and higher standards are needed. "I see the bar being raised as a result of the standards. We need higher standards for students and they need to learn how to apply knowledge." Sen. Martha Robertson (R-Minnetonka) agreed and said higher education and the business community relayed concerns that students weren't able to do the basics. "Application of knowledge is where we were falling behind according to testing a few years ago," she said. "Districts want to be able to work with the implementation of the standards and the Legislature needs to make certain standards are clear and measurable and that guidance is available," said Robertson.

Sen. David Tomassoni (DFL-Chisholm) indicated that districts are getting mixed messages. "Unless we stay the course a few years, we won't know if the Profiles in Learning work," he said.



Stumpf then directed the discussion to the topic of mandated structurally balanced district budgets in the House bill. Buesgens summarized the provision. He said before school districts enter into contracts they need to lay out their revenue and expenses for the two year

contract period and one year out. He said the point of the provision is to allow district flexibility in deciding between teacher salary increases or other district needs. Pappas pointed to an Auditor's Report that indicated teacher's salaries, adjusted for inflation, have fallen four

percent over the last few years. "On average," she said, "Districts are settling contracts within their budgets." Basguens said teachers salaries have not kept pace with inflation because lower paid teachers have replaced higher paid, retiring teachers. Pappas said there is a shortage of teachers now and pay increases are necessary to acquire qualified professionals.

Basguens said the House version helps districts manage costs by requiring balanced budgets that don't rely on the passage of future levy votes and by disallowing the use of fund balances as a means of paying newly hired permanent staff.

Kelley disagreed with the provision saying that the first units to bargain during contract settlements would be assured of a fair settlement while districts may not have enough money to fund salaries for those units bargaining last. Further, he said the bill micro-manages calculations and contracts for units, other than teachers, that are never mentioned. Seagren said districts will have to anticipate what the settlements will be for all units prior to bargaining. Stumpf said districts with declining enrollment will have a difficult time under the House provision. Tomassoni added that only 20 out of the 350 school districts in Minnesota are having financial difficulties and all 20 have declining enrollment.

Robertson said, "There is value in allowing school districts a format to keep them balanced." The consequences of negotiations is what should be addressed, she said. Stumpf agreed and warned that the solution should not be worse than the problem.

Stumpf then introduced Department of Children, Families and Learning Commissioner Christine Jax, who explained the rationale for the \$2.5 million grade 7 testing measure in both bills. She said the test is a mandatory requirement by the federal government that enables the state to qualify for \$93 million Title I dollars.

## State Departments

### Companion bills compared

Senate and House conferees on S.F. 2360, the omnibus state government appropriations bill, met for the first time Fri., May 11, to hear an overview of the differences between the two bills. The



*Third and fourth graders from Highland Park Elementary school in St. Paul participate in the annual spring planting of flowers on the Capitol grounds Weds., May 16.*  
Photo by Shelley Hawes

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meeting was chaired by Sen. Richard Cohen (DFL-St. Paul).

The House version of the bill includes a number of policy issues that are not in the Senate bill, including a number of provisions related to sustainable land use planning for local governments. The bill limits the influence of joint planning and strengthens local autonomy and the adaptability of plans to free functioning land markets. A Legislative Commission on Metropolitan Government is also created under the House version. The bill requires cost-benefit analysis for transit contracts and directs the Office of the Legislative Auditor to report on the costs of the Hiawatha Rail Line.

The House bill includes provisions placing new requirements on state appropriations for technology, allowing fees to be charged for archeological services, and addressing executive branch salaries. Under the bill, joint standing committees and a joint public information office are established for the Legislature and restrictions are placed on parking at the Capitol. The bill also creates a special revenue fund for the State Auditor's Office, allows fees to be charged for the services of the state archaeologist, and directs the commissioner of finance in the handling of budget deficits.

Finally, the House bill includes the body's omnibus pension amendment, which includes changes to a vast array of existing laws related to pensions and other benefits for state and local government employees.

Policy language that is in the Senate version, but not the House version, includes provisions regarding revenue recapture fees assessed by the Dept. of Revenue, a filing fee increase for a real estate electronic filing initiative, and the creation of an account for services the Dept. of Administration provides related to the Uniform Commercial Code Article 9. The Senate bill also includes provisions for new or extended employee benefits, including paid leave for new parents and bone marrow donors.

Both the Senate and House versions of the bill have major sections devoted to the regulation of campaigns and elections. The provisions in the Senate version include the numerous campaign finance proposals carried through the body by Sen. John Hottinger (DFL-Mankato). Provisions in the House bill relate more directly to voting and address registration, voting

machines, absentee ballots, recounts, and other issues.

Total general fund appropriations are higher in the Senate bill by \$49.4 million. However, net spending is only \$3.7 million higher because the Senate bill includes higher revenue totals. The Senate shows increased revenue of \$32.4 million for the Dept. of Revenue's non-filer initiative, \$3.5 million for campaign finance loan repayments and \$2.5 million through the dissolution of the attorney general's partnership agreements. Major changes to general fund revenue in the House bill have no net effect. The bill adds the Department of Administration's Building Codes surplus revenue to the general fund, but changes the Secretary of State's Office and the State Auditor's Office to revolving funds outside of the general fund.

In general fund spending, a consistent difference throughout the two bills is the Senate's inclusion of the governor's recommended salary and benefits increases for the administration. The Senate bill also includes more funding for public radio, the Minnesota Humanities Commission and tuition reimbursement for the National Guard. The House bill includes funding greater than the Senate amounts for the technology enterprise fund and voting machine grants, while decreasing base funding for the Minnesota State Arts Board. In funding for the Minnesota Amateur Sports Commission, the House bill directs \$750,000 a year that is currently appropriated for the Target Center toward amateur soccer fields. In a similar provision, the House bill redirects RiverCenter loan payments to the general fund instead of a youth activities fund.

## Taxes

### Bills compared

Members of the conference committee on H.F. 2498, the omnibus tax bill, met Weds., May 16, to begin work on resolving differences between the Senate and the other body on taxation for the FY 02-03 biennium. The conference committee is chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Ron Abrams (R-Minnetonka). Staff from both bodies began the work by outlining some of the differences between the bills.

The Senate bill provides \$607.709 million in tax relief over the FY 01-02 biennium while the House's version

provides over \$1.524 billion in tax relief over the same period. The governor proposed over \$1.231 billion in tax relief for the biennium.

The Senate version provides a \$425 million rebate in FY 01 and includes people with federal taxable income but no state taxable income in its rebate-eligible population. The House rebates about \$856 million and allows recipients to send back their checks for one of seven purposes.

In property tax reform, a variety of differences exist. Among them, the Senate adjusts the formula for local government aid and homestead agricultural credit aid (HACA). The House provides additional HACA to counties but eliminates HACA for all non-county local units. The versions also differ in the rates used to tax various classes of property.

Both bodies provide for state takeover of certain county services, especially court administration. However, each body's version operates with a different schedule for the court takeover. The Senate offsets out-of-home placement costs at 50 percent, while the House's version only provides for state assumption of 30 percent of the costs. The Senate also offsets day services and the House makes no such provision.

The House's version includes an article setting limits on local levies while the Senate version sets no limits. Sen. Ann Rest (DFL-New Hope) said that under the House's proposal, cities attempting to reform themselves will be penalized for having temporarily high levies. Rep. Ann Lenczewski (DFL-Bloomington) disagreed. She said the House believes the rate of spending is increasing too rapidly and wants to freeze levies. Rest said the proposal does not examine why the levy is so high, but just assumes that high levies are always bad. Lenczewski said high levies may be maintained, under the proposal, but must be submitted to local voters.

Pogemiller said staff had informed him that a proposal in the House's version using tobacco settlement proceeds to be paid into the health care access fund will not work. Abrams suggested that members and staff from both bodies work together to meet the intent of the House's efforts. The House's version uses the tobacco settlement proceeds to essentially pay for repealing the provider tax that subsidizes MinnesotaCare.

Abrams highlighted a proposal in the House's version that directs the commis-

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sioner of revenue to examine the income tax reciprocity agreement with Wisconsin and report back to the Legislature. Abrams said that Minnesota may be shorted by about \$2 to \$4 million per year while the state is also paying Wisconsin as part of a separate reciprocity arrangement for higher education. All we want is fair treatment, he said.

Members adopted the House's language regarding sales tax recodification provisions and the Senate language regarding seizure of contraband. Both provisions were identical in both proposals. Abrams said the versions are miles apart on metropolitan government. However, he said, the House likes a proposal in the Senate bill to divest the State Auditor of oversight in tax increment financing. Abrams and Pogemiller agreed to have staff examine other similar sections for future review by conferees.

## Floor

### Friday, May 11

#### Members take up tax bill

Completing the Senate's budget plan for the year, members took up H.F. 2498, the omnibus tax bill, for discussion Fri., May 11. The bill provides a \$425 million sales tax rebate in FY 01, \$609 million in tax relief during FY 02-03 and over \$1.18 billion in tax relief during FY 04-05.

Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the Tax Committee, said the bill emphasizes the Senate's goals in tax reform this biennium. "I make no bones about this. This a bill that is earmarked entirely to provide tax relief to the average value home," he said. Pogemiller said the Senate cannot match the larger amounts of property tax relief proposed by the governor and the other body because of the choices the Senate made this year. The governor, he said, pays for his tax relief by extending the reach of the sales tax to services. The other body does not invest in Minnesota's future, Pogemiller said. Significant property tax reform is accomplished in the bill, he said, but it cannot be done in one fell swoop.

Pogemiller chastised the other body for offering tax relief but no real reform while also offering kudos to the governor for his plan. "The other body has not paid

for its reforms in the outer years," he said. At least the governor bit the bullet and paid for his reforms with the sales tax extension, he said. "We have a balanced approach," Pogemiller said, by seeking both permanent investment in transportation, health care and education while still recognizing the heavy burden of the property tax on the average Minnesota family. The tax bill targets relief at the average Minnesota family, Pogemiller said, by focusing the structural reforms of the property tax on homes valued between \$70,000 and \$200,000. "This is genuine reform that is paid for," he said.

The bill also addresses several other issues brought before the committee and its divisions, he said. The bill completes the state takeover of court administration costs, provides for an offset of 50 percent of out-of-home placement and day training costs and modernizes the local government aid formula. It reduces the state determined general education levy by \$100 million. We wanted to do more in terms of a levy buydown, Pogemiller said, but did not want to shift the tax burden from businesses to homes. He said many interests, the other body and the governor have all pushed for more compression of commercial-industrial property tax rates. The Senate, he said, is not opposed to such compression. "We're not going to kid anybody, we can't afford to do it" this year, he said. Pogemiller said the business community wanted tax relief that would have put the tax burden on the backs of homeowners. Most Minnesotans, he said, support tax relief for businesses, but want it done in a balanced fashion. The bill represents significant reform without the larger amounts evidenced in the governor's and other body's proposals, he said.

#### Border cities aid okayed

After Pogemiller concluded his introductory presentation on the omnibus tax bill, several Senators offered a variety of amendments to the bill. All amendments had to pass a test presented by a provision in Senate rules, adopted for the first time this session, that requires all amendments to a budget bill to stay within the targets approved by a Senate resolution set earlier in the session. Pogemiller said the bill is perfectly balanced in FY 02-03 and achieves a near-perfect balance for FY 04-05, offering only \$13,800 in remaining expendable funds.

Sen. Jim Vickerman (DFL-Tracy) offered an amendment authorizing the city

of Luverne to establish up to three border city development districts. Sen. Arlene Lesewski (R-Marshall) said she has been working on the issue for years and strongly supported Vickerman's amendment. Sen. Chuck Fowler (DFL-Fairmont) said Minnesota's border cities, especially along the South Dakota border, need help. Any help those cities receive, he said, is money well spent.

Pogemiller questioned the singling out of Luverne in the amendment. "How can you justify creating a district for just Luverne, when you're not doing it for other parts of the state," he asked. Pogemiller said the issue becomes a slippery slope with spiraling costs. Vickerman said he wants to try offering the help to one border city as a test. If the plan doesn't work, he said, the provision can be removed. Sen. Steve Murphy (DFL-Red Wing) said Luverne is suffering from the tenacity of business developers in South Dakota. "Our communities are drying up and blowing away," Murphy said. He said the provision is a band-aid and next session, the Legislature can focus on a solution with long-term, statewide significance. Sen. Grace Schwab (R-Albert Lea) said the bill provides much needed economic development money. Such money, she said, is often paid back four-fold in future tax revenue. Responding to a concern that the amendment sets the tax bill out of fiscal balance, Sen. Gen Olson (R-Minnetrista) said, where is the money going to come from to pay for the losses when we lose jobs and businesses in Minnesota. The issue affects the entire state, she said, not just the border communities. Vickerman balanced the amendment with another amendment, adopted first, that reduced the budget of the Dept. of Revenue.

Sen. Charles Berg (R-Chokio) said the discussion on the amendment reveals serious problems in the Minnesota tax system. Until we clean up our tax system, he said, the state will continue to lose businesses crossing state lines. Sen. Keith Langseth (DFL-Glyndon) said the state should not copy its neighbors in taxing food, clothing and services. The Vickerman amendment was adopted.

#### Met Council debated

Sen. Claire Robling (R-Prior Lake) offered an amendment deleting provisions in the bill providing for an elected Metropolitan Council. She said that the

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*Secretary of the Senate Pat Flahaven, left, and President of the Senate Don Samuelson (DFL - Brainerd) frequently consult with each other during Senate floor sessions.*

Photo by David J. Oakes

elections subcommittee has not heard the sections of the bill. Sen. Myron Orfield (DFL-Mpls.) said the provisions correspond to language adopted by the other body. A bill containing the language, he said, was also heard twice in the State and Local Government Operations Committee and was supported by a broad range of people from the Metro Area. The other body has thrown down the gauntlet, he said, and it seems a shame to avoid setting a Senate position. Orfield also said the provisions are an attempt to make the Met Council accountable for its taxing authority. Sen. Mark Ourada (R-Buffalo) said the provision may challenge the single-subject requirement for bills.

Robling said she has seen the other body's language and it is far different from the proposed language in the Senate omnibus tax bill. The other body, she said, calls for a legislative commission to exercise oversight on the Met Council's levying authority. That provision, Robling said, relates to taxation. The language

before the Senate goes too far, she said. It attempts to get rid of county government and create a Metro Area government without regard to counties, Robling said. Orfield said the bill does not attempt to eliminate counties. The amendment failed on a 29-35 roll call vote.

## **Bridge funding rejected**

Attempting to keep the Stillwater bridge project at the top of MNDOT's project list, Sen. Michele Bachmann (R-Stillwater) offered an amendment appropriating \$18 million for the project. The money for the project is derived by eliminating a tax credit for energy-efficient appliance purchases. Sen. Ann Rest (DFL-New Hope) said, "Too seldom do we have the opportunity to encourage consumer expenditures in an environmentally friendly way." Sen. Dean Johnson (DFL-Willmar) assured Bachmann that the Stillwater bridge project is being considered by the conference committee on the

omnibus transportation and public safety budget bill. Sen. Warren Limmer (R-Maple Grove) said the energy efficient appliances credit doesn't make sense because the appliances are often priced \$400 to \$600 higher than their regular counterparts. The tax credit does not mitigate that cost, he said. Limmer also said some appliances are too efficient and create safety problems of their own in new homes. Sen. Ellen Anderson (DFL-St. Paul) said the credit is an incentive for consumers to get past the higher up-front costs.

Over the long-run, she said, consumers will benefit from their purchase through lower energy bills. The tax incentive just makes it that much easier for consumers to make a choice they might not have otherwise been able to make, she said. "We are allowing everyone in Minnesota to do their part to help us meet our energy needs at a critical time," Anderson said. The amendment was not adopted on a 25-34 roll call vote.

## Rebate debated

Sen. Thomas Neuville (R-Northfield) offered an amendment to make the payment of a rebate from surplus money automatic. Under the amendment, the commissioner of revenue is required to rebate the surplus by September 15 of an odd-numbered year. The amendment, Neuville said, "will prevent us from putting our heads in the sand and ignoring our promises." Pogemiller said the budget resolution passed earlier this session meets the current law's requirement that the Legislature enact, modify or reject the governor's plan for a rebate. Sen. Kenric Scheevel (R-Preston) said the amendment sends a strong message that the Legislature is committed to its original commitment regarding rebates. Otherwise, every session a surplus exists, the rebate will be reduced to crumbs, he said.

According to Sen. John Hottinger (DFL-Mankato), the amendment effectively allows one house of the Legislature to avoid discussion and force payment of a rebate. Under current law, Hottinger said, opinions in the bodies can be worked out and discussed. With the amendment he said, one body can choose not to participate and the decision is made by statute. Neuville said Hottinger framed this issue correctly. Under current law, he said, one body can prevent a rebate. The people have an expectation that their money will be returned to them, he said. Under the amendment, both bodies will have to agree to spend a surplus, Neuville said. Under current law, he said, both bodies have to agree to give it back. Hottinger said the current approach is balanced by providing for ongoing discussions about budgeting for the state's needs.

The amendment failed on a 28-34 roll call vote.

Sen. Dave Kleis (R-St. Cloud) moved to suspend the rules so that an amendment to the tax bill granting a full rebate of the FY 01 surplus could be considered. Without a suspension of the rules, the amendment can be ruled out of order since it exceeds the budget targets. Pogemiller said Kleis is asking for a free lunch. The rule, he said, exists to make Senators accountable for their choices. The vote is about whether a Senator wants to be held accountable or not, he said. Suspending the rules tells the people we want it both ways, Pogemiller said. "The rebate in this bill is just crumbs," Kleis said. The people expect the Legislature to rebate all, not

half of the money, he said. Suspending the rules will make conference negotiations with the other body go more smoothly, he said.

Majority Leader Roger Moe (DFL-Erskine) urged members to vote against the motion. The budget resolution and the rule under discussion are attempts to put fiscal discipline into the process, he said. In the final stage, Moe said, there is a proposal to slip. However, the Senate has met the law's intent, Moe said, because the Senate modified the governor's rebate proposal with the passage of the budget resolution.

Limmer said the rebate is the result of almost a decade of overtaxation, but some Legislators cannot resist the urge to spend. "We may be helping some people, but we're doing it at the expense of others," he said. Pogemiller said Limmer mischaracterized the Senate majority's goal. We see it as balanced investments and tax relief, he said. The money not rebated is going to schools, roads and hospitals, Pogemiller said, and members of the majority are proud of that choice.

Scheevel said many members of the minority have voted against spending the surplus in every omnibus budget bill so far and want the opportunity to go on the record with a vote for rebating the entire amount. Pogemiller said the opportunity presented itself earlier in the Tax Committee but a bill for the rebate was withdrawn. The President of the Senate reminded members that a motion to suspend the rules would take 45 votes to pass. The motion was rejected on a 27-32 roll call vote.

## Local exemption considered

Citing a pressing local need, Neuville offered an amendment exempting construction materials purchased by the city of Montgomery from the sales tax. He said the Pollution Control Agency has told the city it needs a new wastewater treatment plant, but the city has encountered difficulty raising enough money to build the plant. The total cost in lost revenue, Neuville said, is about \$200,000 that the amendment recovers by reducing statewide local government aid payments.

Sen. Don Betzold (DFL-Fridley) said the Income and Sales Tax Budget Division heard many requests from local governments for similar projects. All the projects were worthy, he said, and the division determined that the best course was to fund them all or fund none of them.

Betzold said exempting all purchases by local units of government costs \$200 million in lost revenue. Just exempting construction projects costs \$80 million, he said.

Sen. Dan Stevens (R-Mora) said he objects to the entire concept of taxing local units of government. Betzold said he agrees, but the tax exists and the state needs the revenue. The governor could have eliminated the tax a year ago, he said, but chose instead to reduce automobile license tab fees. Betzold also noted that the other body did not eliminate the local government sales tax even though it accomplished about \$1.6 billion in relief. Neuville said the property tax relief felt by homes in Montgomery will be offset by the taxes needed to raise money for the facility. The amendment was rejected on a 26-35 roll call vote.

## Provider tax debated

Sen. Edward Oliver (R-Deephaven) said the health care provider tax, levied on the gross revenues of health care providers and used to subsidize MinnesotaCare premiums, is the state's most regressive tax. He cited a report from the Dept. of Revenue that said the provider tax is more regressive than the general sales tax. Oliver also said the Minnesota Taxpayers Association has said the tax is not vertically equitable and falls heavier on people with lower incomes who pay as much as five times more (as a percentage of their income) than taxpayers with the highest incomes. The omnibus tax bill, Oliver said, makes the tax even more regressive by increasing the tax from 1.5 percent to 2 percent.

He offered an amendment creating the MinnesotaCare-subsidized health insurance account. Under the amendment, ongoing tobacco settlement payments will be credited to the account beginning Dec. 31, 2003. The amendment also requires savings from eliminating the provider tax to be passed through to health plan purchasers by health plan companies via reduced premiums. The amendment directs the commissioner of finance to examine the balance in the subsidized account annually. Under the amendment, if the account is not sufficient to cover projected expenses, the health plan premium tax will be automatically reinstated. Further, the amendment specifies that if the subsidized account and revenues from the premium tax are not

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sufficient, then the provider tax will be automatically reinstated.

Pogemiller challenged the amendment as being fiscally unbalanced. Sen. Linda Berglin (DFL-Mpls.) said the money used to balance the amendment is coming from tobacco settlement funds that have already been dedicated to tax relief or increased spending as part of the base budget. To balance the amendment, she said, base budgets and tax relief will have to be adjusted. Sen. Sheila Kiscaden (R-Rochester) said she was confused and she thought the money should be available for future expenditures wherever the Legislature sees fit. Berglin said the money was spent on permanent expenditures and is now needed to cover those ongoing expenditures as part of departments' and agencies' base budgets. Unless the programs are given sunset dates, she said, the money is tracked as needed to cover base expenditures. Kiscaden said the Senate finds itself in an interesting place where the majority has put in place expenditures that require the most regressive tax to be maintained and increased. "How can we continue to have this regressive tax," she asked. The President of the Senate ruled the amendment not in order. Oliver challenged the ruling. The ruling of the President was upheld on a 34-27 roll call vote.

Sen. Mady Reiter (R-Shoreview) offered an amendment to strike language in the bill related to income tax information that must be provided on state returns. Reiter said the bill allows the commissioner of revenue access to aggregate personal data that infringes on an individual's right to privacy. Limmer said the privacy issue exemplifies differences of opinion concerning the role of government. "If you have suspicions that the government is too big, too invasive and has access to too much information, then you may want to support this amendment," he said. Pogemiller replied that he thought Reiter's concerns were misplaced because current law already provides that an individual's tax information not be made public. The amendment failed on a 25-34 vote.

Rest offered an amendment to clarify limitations on property assessments for 2006. The amendment limits the amount of the increase to no more than 15 percent of the value in the preceding assessment, or 50 percent of the difference between the current assessment and the preceding assessment. The amendment was adopted.

"We penalize those in the armed forces by taxing them," said Kleis. Kleis offered an amendment to exempt the first \$1,500 of income for individuals serving in the military, whether they are located in or out of Minnesota. He told members that Minnesota once offered the exemption but later repealed it. "Now that we have a surplus," he said, "we should reinstate it." The amendment was adopted.

Moe responded to comments by Senators who expressed disappointment with the tax bill for reasons ranging from tax relief numbers to rebate numbers. He told members that the problem with any one of the Senate bills is that there were overall budget constraints. "We don't provide as much tax relief as offered by the other body, we don't go the whole way on the rebate, but, we chose to balance sustainable tax relief, focused on property tax relief, with important investments in education, health care needs—especially for seniors—and our transportation system," he said. Moe continued, "The average Minnesotan knows that we must provide balance and try to meet the states needs and the needs of our future while providing tax cuts."

Minority Leader Dick Day (R-Owatonna) said, "We talk about balance. The House put together a good package. Wake up Minnesota, we have a body in St. Paul that will spend everything they make," he said.

Pogemiller said, "Our bill provides more tax relief than the House bill with its larger budget."

Sen. Douglas Johnson (DFL-Tower) said, "We've prepared for tougher times we all believe are coming. We should save the surplus for a rainy day."

The tax bill passed on a 37-25 vote.

Members also granted concurrence and repassage to S.F. 2361, the omnibus health, human services and corrections appropriations bill. Members repassed the measure, carried by Sen. Linda Berglin (DFL-Mpls.), on a vote of 37-25, in order to avoid a conference committee and to speed the bill to the governor.

## Monday, May 14

### Felony DWI bill passed

Multiple DWI violations may lead to a felony penalty under a bill given final passage on the floor when the Senate met Mon., May 14. Members also heard legislation on domestic violence, pensions and insurance businesses.

Sen. David Johnson (DFL-Bloomington), chief author of the DWI bill, called the measure a balance of treatment and accountability. He said under current law the maximum penalty for driving while intoxicated is one year. Johnson's bill specifies that a person's third conviction of DWI in ten years is a felony with a minimum three-year sentence. Under the measure, a person who is found guilty of a DWI may be given up to a 7 year sentence or a maximum \$14,000 penalty. The bill also requires the insurance companies of individuals who are convicted to cover the cost of any chemical dependency treatment ordered by court.

Johnson said the bill does increase the costs of law enforcement for local governments. "At the end of the day, there is a cost," he said. "But the cost will be greater if we don't do anything. We need to reduce the cost on the other side of the ledger and save some lives."

The driver's license reinstatement fee is upped from \$40 to \$340 under an amendment, which the Senate adopted, offered by Sen. Randy Kelly (DFL-St. Paul).

Sen. Dave Kleis (R-St. Cloud) offered an amendment that moves the effective date of the bill from 2003 to 2001. Johnson said the amendment drives up the cost and violates the budget targets. The amendment was ruled out of order. Kleis then moved to amend the bill and change the effective date from 2003 to 2002. The Senate adopted the motion 55-8. The members passed the felony DWI bill on a 61-1 vote.

A bill that modifies several domestic violence policies was presented by Sen. Jane Ranum (DFL-Mpls.). Last year, Ranum said, 40 women and 6 children were killed by domestic violence in Minnesota. She said the bill closes loopholes in the law and coordinates the efforts of state agencies. "If the systems aren't working together effectively," she said, "tragedy happens." The bill also sets guidelines for court ordered education and counseling programs serving domestic abuse offenders. The domestic violence measure passed 61-0.

On a 60-0 vote, the omnibus pension bill, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), passed. Pogemiller offered an amendment, which the Senate adopted, that added a \$2.5 million appropriation to cover the Public Employees Retirement Association's fiscal

shortfall. The bill incorporates numerous changes to provisions affecting retirement and other benefits for state employees.

Safety requirements are waived for bleachers owned by the amateur sports commission and seating temporarily erected in the Hubert Humphrey Metrodome under S.F. 453. Sen. Cal Larson (R-Fergus Falls), chief author, said the Metrodome needs additional seating for anticipated National Collegiate Athletics Association (NCAA) events. Sen. Jim Vickerman (DFL-Tracy) offered an amendment that extends the exemption to bleachers owned by county agricultural societies until January 2004. The Senate adopted the amendment. The members also adopted an amendment that exempts bleachers used by the Defeat of Jesse James Day Committee, which runs a yearly celebration in Northfield. Sen. Dick Day (R-Owatonna) said a lot of small towns own bleachers that are used only for occasional summer event such as rodeos and car races. He said bringing bleachers up to safety standards is a very costly item for small towns. He offered an amendment that exempts all outdoor bleachers erected before 2001. Sen. Gen Olson (R-Minnetrista) said outdoor bleachers are often the most dangerous because deterioration is most often caused by exposure to the elements, not by overuse. She said several towns have repaired their bleachers in low cost, creative ways. The law, she said, does not require bleachers to be brought up to code but only to be visually inspected. Sen. Bob Kierlin (R-Winona) said outdoor bleachers are safer than indoor bleachers because a person who falls from them is likely to land on soft sand or grass. The Day amendment was adopted. The bill, as amended, was passed 47-4.

Sen. Edward Oliver (R-Deephaven) presented S.F. 1541, which amends real estate commerce policies and licensing requirements for real estate brokers, property appraisers and notary publics. The bill passed 62-0.

Several technical changes are made to the Uniform Commercial Code by S.F. 1561, sponsored by Sen. John Hottinger (DFL-Mankato). With a 59-0 vote, the Senate gave the bill final passage.

The Senate voted to concur with House amendments and repassed S.F. 359, authored by Sen. Sheila Kiscaden (R-Rochester). The measure makes changes in provisions relating to the Board of Chiropractic Examiners.

## Fair drug pricing debated

Several bills on Special Orders were heard by members at the Mon., May 14, floor session. Sen. John Hottinger (DFL-Mankato) presented S.F. 765, the Fair Drug Pricing Act of 2001. He said the bill is designed to help families not eligible for other programs and seniors who are not in state programs by shifting a small amount of prescription drug costs to drug companies. Under the bill, he said, participants receive prescription drug rebates equal to Medicare rebates. Sen. Dan Stevens (R-Mora) asked what legal authority could demand the drug companies have a rebate equal to that of Medicare's. Hottinger said that in Maine, where there is a similar law, the drug companies conceded.

"We need to do something for our constituents regarding drug costs because this is an issue about drug companies creating a demand for drugs so they can boost prices," said Hottinger. He told members that while drug companies had a \$26 billion profit last year, prescription drug prices increased 34 percent over the last two years. Sen. John Marty (DFL-Roseville) said, "The bill gives Minnesotans a chance to buy their drugs here instead of having to go to Mexico or Canada."

Stevens questioned eligibility under the bill saying that all people, regardless of age or income status, are allowed to benefit. He said the Minnesota Prescription Drug Program helps those most in need and does not violate the commerce clause, or constitutionality, as does Hottinger's bill. "We should be using our efforts and resources in improving the other plans," he said. Sen. Mady Reiter (R-Shoreview) said members should be directing their attention to fair and equitable Medicare compensation because other states receive higher reimbursements than Minnesota residents. Hottinger answered by saying that the bill is both innovative and constitutional.

Sen. Sheila Kiscaden (R-Rochester) said the bill only results in about a 15 percent discount. She said pharmacists testified that the plan has a negative impact on their businesses, particularly in Greater Minnesota. She said allowing the sale of more drugs over the counter is more effective than the bill in combating the high cost of drugs. She said that while the Senior Federation supports the bill, the American Association of Retired People (AARP) does not, partly because they

know increased costs are likely. Further, she said that of the 35 drug wholesalers in the U.S., only 5 are based in Minnesota. She said, "If we proceed with this, we will become an island where there will be no investment in pharmaceuticals in the state." Hottinger disagreed and said, "There is nothing in this bill that makes it more difficult to produce pharmaceuticals in the state and companies did not testify to that effect."

Sen. Satveer Chaudhary (DFL-Fridley) said he conducted a survey of 1,000 people and 800 said they needed prescription drug help. He said, "This bill is right for moral reasons." He recounted sacrifices made by older generations and said the bill allows younger generations to sacrifice a little for them. "Since prescription drug coverage is the last unfinished business of the 20th Century, affordable prescription drug coverage must be first on the docket for the Twenty-21st Century," said Chaudhary. S.F. 765 passed in a 42-21 vote.

S.F. 67, a bill relating to occupational safety and health was presented by Marty. The bill permits injured employees a civil remedy if an employer willfully or repeatedly violates safety laws. Reiter opposed the bill, saying, "It will undo workers' compensation and is inconsistent with current OSHA laws." Marty responded that the bill increases the penalty for employers who break safety laws where an employee is either injured or killed. "These are illegal actions causing death and injury and the bill makes employers stop breaking the law."

"The workers' compensation laws are not balanced and fair and the bill deals with very rare occurrences," said Sen. Steve Murphy (DFL-Red Wing). He said, "If employers are complying with OSHA standards, it doesn't affect them, but if employees are knowingly placed in jeopardy by employers and it results in a substantial injury or death, the bill gives families a way to get some sort of financial compensation." S.F. 67 did not pass in a 33-32 vote.

Another civil action bill was presented by Sen. John Hottinger (DFL-Mankato). S.F. 1614, corrects an oversight and provides for civil actions against the state under the federal Age Discrimination in Employment Act, the federal Fair Labor Standards Act, the federal Family and Medical Leave Act and the federal Americans with Disabilities Act. Hottinger

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said the bill is one of fundamental fairness. S.F. 1614 was granted final passage in a unanimous vote.

S.F. 1330, presented by Stevens, extends unemployment insurance for up to 13 weeks for former Fingerhut employees who have been terminated as a result of a plant closing. Stevens offered an amendment for Sen. Sam Solon (DFL-Duluth), that includes employees in St. Louis County who are in similar circumstances as former Fingerhut employees. The amendment was approved and S.F. 1330 passed in a 60-1 vote.

Sen. Jane Ranum (DFL-Mpls.) presented H.F. 783, a bill specifying that peace officers' use of less lethal munitions does not constitute deadly force. Ranum said the bill is supported by law enforcement groups and groups dealing with the mentally ill and is basically addressing the usage of stun guns. The bill was unanimously granted passage.

Marty directed members' attention to absentee voting. S.F. 95, a bill making it easier to vote by absentee ballot, allows on-going absentee balloting, voting by fax if the voter is hospitalized shortly before an election or absentee voting for Minnesota residents living overseas. Marty said there is overwhelming public support for the bill.

Sen. Mark Ourada (R-Buffalo) opposed the bill, saying there are already exceptions for people who truly need to use absentee ballots and he advised members not to "travel down this road." Sen. Michele Bachmann (R-Stillwater) also opposed the bill citing concern for battered women who may be forced to vote a certain way by an abusive spouse. In a vote of 32-31, S.F. 95 was defeated.

Sen. Ellen Anderson (DFL-St. Paul) explained S.F. 577. The bill changes the Met Council's Como Park transit route. The measure gives the St. Paul Park Board authority to provide input to the Met Council regarding transit on park roads in St. Paul. Anderson said the bill provides the same authority to the St. Paul Park Board as the Minneapolis Park Board has under law. An amendment was offered by Anderson that disallows buses on two blocks of the south shore of Como Lake. She said the amendment is a preventive provision dealing with an area where buses are within 2 feet of bike and pedestrian traffic. Reiter and Sen. Claire Robling (R-Prior Lake) opposed the bill saying that the measure adds another layer of bureaucracy.

In addition, Robling said the bill sets an undesirable precedent in interfering with the Met Council route planning, which establishes routes to further efficiency, convenience and increased ridership. The amendment was approved and the bill was passed on a 37-27 vote.

S.F. 1659, the omnibus feed lot bill, sponsored by Sen. Steve Murphy (DFL-Red Wing) was unanimously granted concurrence and re-passage.

S.F. 359, authored by Kiscaden, was also granted concurrence and re-passage. The bill modifies several provisions relating to the Board of Chiropractic Examiners.

## Tuesday, May 15

### Bills sent to governor

In addition to acting on the omnibus health, human services and corrections appropriations bill and the handgun amendment, members also granted concurrence and repassage to several bills during the Tues., May 15, floor session.

S.F. 970, a bill authored by Sen. Steve Murphy (DFL-Red Wing), prohibits selling gasoline below cost. S.F. 1610, a bill presented by Sen. Ann Rest (DFL-New Hope), regulates liquidations and investments of insurers. S.F. 694, authored by Murphy, provides for the creation of a propane education and research council. S.F. 974, a bill sponsored by Sen. Bob Lessard (IND-Int'l Falls), adds exceptions to the local public officer's conflict of interest law.

Finally, a variety of conference committees were appointed to work out differences between House and Senate bills.

## Wednesday, May 16

### Bills processed

Members of the Senate gathered Weds., May 16, for a relatively short, workman like session to process work at the front desk and consider several measures on Special Orders.

One measure was granted concurrence and repassage. S.F. 1485, authored by Sen. Steve Kelley (DFL-Hopkins), is the Minnesota Money Transmitters Act. The measure provides for the licensing of money transmitters by the commissioner of commerce and sets forth exemptions.

Three conference committee reports were adopted and repassed. H.F. 486,

authored by Sen. Arlene Lesewski (R-Marshall) requires that the disclaimers accompanying printed political advertisements be a legible size and type style. H.F. 704, carried by Sen. Becky Lourey (DFL-Kerrick), creates an exception from criminal rehabilitation provisions for emergency medical service personnel. S.F. 174, authored by Sen. Roger D. Moe (DFL-Erskine), expands the provision providing a highway seasonal gross weight limit increase for the transport of certain agricultural crops during harvest to carrots.

Several measures were granted final passage on Special Orders. S.F. 1082, authored by Sen. Dennis Frederickson (R-New Ulm), adds and deletes lands from various state parks and recreational areas throughout the state. Frederickson said Minnesota's state parks are a primary draw for visitors to the state and the measure enhances the attraction of the parks.

H.F. 1051, sponsored by Sen. Thomas Neuville (R-Northfield), regulates certifications of expert reviews in medical malpractice actions and clarifies a reference to the medical malpractice statute of limitations. Neuville offered, and members adopted, an amendment that addresses the question of whether or not the statute of limitation provision enacted several years ago is retroactive. Under the amendment, the four year statute is retroactive after Aug. 1, 1999. Members also adopted an amendment, offered by Sen. Don Samuelson (DFL-Brainerd), specifying that attorneys' liens be treated the same as mechanics' liens in terms of notification requirements and limitations on how long the liens apply.

H.F. 1407, carried by Sen. Dallas Sams (DFL-Staples), modifies provisions for public health collaboration plans, modifies rural hospital programs eligibility, transfers enforcement authority related to the provision of funeral goods and services and repeals professional boxing regulation. S.F. 1387, sponsored by Sen. David Tomassoni (DFL-Chisholm), is the DNR forestry bill and makes numerous changes to provisions relating to state forest and forest products. H.F. 1828, sponsored by Sen. Dan Stevens (R-Mora), modifies provisions relating to wetland classification and replacement and modifies provisions relating to the consumptive use of water. H.F. 1367, carried by Sen. James Metzen (DFL-South St. Paul), allows owner-occupied residential housing to be served by an existing energy loan program.



# Floor action

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## Friday, May 11

### Bills granted concurrence and repassage

**S.F. 1528-Terwilliger:** Authorizes the city of Edina to place restrictions on recreational use of motor vehicles on certain property. 43-11

**S.F. 2361-Berglin:** Omnibus health, human services and corrections appropriations bill. 37-25

### Bills granted final passage on Special Orders

**H.F. 2498-Pogemiller:** Omnibus tax bill. 37-25

## Monday, May 14

### Bills granted concurrence and repassage

**S.F. 359-Kiscaden:** Modifies licensing requirements for the Board of Chiropractic Examiners, modifies grounds for disciplinary action and penalties and allows specified individuals to practice chiropractic in this state without being licensed in this state. 62-0

**S.F. 1659-Murphy:** Modifies provisions relating to feedlots and provides for a level 1 feedlot inventory. 65-0

### Bills granted final passage on Special Orders

**S.F. 1541-Oliver:** Regulates currency exchanges, real estate brokers, property appraiser, residential contractors, notaries public and collection agencies; modifies continuing education requirements and regulates fees, costs and duties. 62-0

**S.F. 453-Larson:** Provides exemptions from the bleacher safety provisions for bleachers owned by the Minnesota Amateur Sports Commission and bleachers erected in the Hubert H. Humphrey Metrodome for certain events. 47-4

**S.F. 264-Johnson, David:** Establishes a felony level DWI offense and requires health plans to cover chemical dependency treatment for impaired driving offenders in certain instances. 61-1

**S.F. 619-Ranum:** Omnibus domestic violence bill. 61-0

**S.F. 1561-Hottinger:** Provides for technical and conforming changes in Article IX of the Uniform Commercial Code. 59-0

**S.F. 451: Pogemiller:** Omnibus pension bill. 60-0

**S.F. 1098: Oliver:** Transfers the administration of the unfair cigarette sales act to the commissioner of commerce. 64-0

**H.F. 2036-Murphy:** Permits the appointment of the auditor-treasurer and recorder in Goohue County. 55-7

**S.F. 1438-Scheid:** Ratifies labor agreements and proposals. 46-12

**S.F. 1330-Stevens:** Provides extra unemployment insurance benefits for certain employees. 60-1

**H.F. 783-Ranum:** Specifies that peace officers' use of less lethal munitions does not constitute deadly force. 61-0

**S.F. 1614-Hottinger:** Provides for civil actions against the state under the federal Age Discrimination in Employment Act, the federal Fair Labor Standards Act, the federal Family and Medical Leave Act and the federal American With Disabilities Act. 58-0

**S.F. 765-Hottinger:** Provides for a prescription drug rebate program. 42-21

**S.F. 577-Anderson:** Regulates transit on park roads in St. Paul. 37-27

## Wednesday, May 16

### Bills granted concurrence and repassage

**S.F. 1485-Kelley, S.P.:** Licensing of money transmitters and prescribing powers of the commerce commissioner. 58-0

### Conference committee reports adopted and repassed

**H.F. 486-Lesewski:** Requires that printed political advertisements disclaimers be legible. 58-0

**H.F. 704-Lourey:** Creates an exception from criminal rehabilitation provisions for emergency medical service personnel. 61-0

**S.F. 174-Moe, R.D.:** Allows gross weight seasonal increase for transporting carrots. 58-0

### Bills granted final passage on Special Orders

**S.F. 1082-Frederickson:** Adds to and deletes from state parks and state recreation areas and redescribes a state park boundary and administration. 59-0

**H.F. 1051-Neuville:** Regulates certifications of expert reviews in medical malpractice actions and clarifies a reference to the medical malpractice statute of limitations. 58-0

**H.F. 1407-Sams:** Modifies provisions for public health collaboration plans, modifies rural hospital programs eligibility, transfers certain enforcement authority related to the provision of funeral goods and services and repeals professional boxing regulation. 61-0

**S.F. 1387-Tomassoni:** DNR forestry bill. Modifies provisions of the youth corps program, modifies provisions for decorative forest products and requires a study of the vehicle use on state and county forest roads. 59-0

**H.F. 1828-Stevens:** Modifies provisions relating to wetland classification and replacement and modifies provisions relating to consumptive use of water. 61-0

**H.F. 1367-Metzen:** Allows owner-occupied residential housing to be served by an existing energy loan program. 57-0

## Thursday, May 17

### Bills granted concurrence and repassage

**S.F. 172-Ranum:** Excludes misdemeanor level domestic abuse, harassment offenses and interference with privacy from the definition of juvenile petty offense under Juvenile Court Act delinquency provisions for prosecution purposes. 61-0

### Bills granted final passage on Special Orders

**S.F. 386-Ranum:** Requires the collection and analysis of data, requires the adoption of policies on racial profiling, and provides for grants to local law enforcement agencies participating in the racial profiling study for the installation of video cameras on police vehicles designed to record traffic stops. 46-18

**H.F. 655-Frederickson:** Makes technical and substantive changes to unemployment insurance provisions. 60-0

**H.F. 1310-Johnson, Douglas:** Gives the state building official final authority for interpreting the State Building Code and prescribes its enforcement. 61-0

**H.F. 1406-Kiscaden:** Provides for maternal death studies. 60-0

# Chapters

- Chap. 001, S.F. 28\*-Hottinger, H.F. 34-Seifert:** Requiring the Board of Teaching upon request to issue teacher licenses to candidates completing accredited teacher preparation programs under current licensure rules. Signed by governor: 01/16/01.
- Chap. 002, S.F. 460-Cohen, H.F. 421\*-McElroy:** Authorizing federal energy assistance program fund expenditure. Signed by governor: 02/02/01.
- Chap. 003, S.F. 201\*-Sams, H.F. 213-Mulder:** Repealing requirements for physicians assistants infection control continuing education. Signed by governor: 02/15/01.
- Chap. 004, S.F. 43\*-Samuelson, H.F. 181-Wenzel:** Reducing the age requirement for adult foster care license capacity and authorizing the commissioner of human services to grant variances to allow providers to admit individuals under the minimum age under certain county recommendation conditions. Signed by governor: 02/28/01.
- Chap. 005, S.F. 376\*-Vickerman, H.F. 817-Howes:** Increasing the monetary limits on city local improvement contracts required to be advertised for bids and on day labor projects, specifying a separate contract bid limit for cities under a certain size. Signed by governor: 03/02/01.
- Chap. 006, S.F. 47-Dille, H.F. 106\*-Ness:** Authorizing ex officio members of the Minnesota Agriculture Education Leadership Council to designate permanent or temporary replacement members representing the same constituency and extending the expiration date of the council. Signed by governor: 03/08/01.
- Chap. 007, S.F. 231-Betzold, H.F. 656\*-Lipman:** Correcting erroneous, ambiguous and omitted text and obsolete references and eliminating certain redundant, conflicting and superseded provisions. Signed by governor: 03/15/01.
- Chap. 008, S.F. 79-Johnson, Debbie, H.F. 80\*-Hackbarth:** Providing for Coon Lake water level control. Signed by governor: 03/16/01.
- Chap. 009, S.F. 155-Kelly, R.C., H.F. 393\*-Mahoney:** Allowing employees of Ramsey County and the city of St. Paul equal competition for vacant county jobs in city-county departments. Signed by governor: 03/16/01.
- Chap. 010, S.F. 289\*-Sams, H.F. 357-Mullery:** Modifying licensing requirements for alcohol and drug counselors. Signed by governor: 03/16/01.
- Chap. 011, S.F. 433\*-Ring, H.F. 487-Vandever:** Increasing the amount for which a township may contract for health, social and recreational services. Signed by governor: 03/21/01.
- Chap. 012, S.F. 399-Solon, H.F. 320\*-Davids:** Providing for property casualty insurance agents surplus lines insurance procurement authority. Signed by governor: 03/29/01.
- Chap. 013, S.F. 509\*-Robling, H.F. 1016-Holberg:** Authorizing cities and counties to make and accept payments with credit cards and electronic funds transfers. Signed by governor: 04/06/01.
- Chap. 014, S.F. 63\*-Fischbach, H.F. 368-Stang:** Designates trunk highway 55 in Stearns County as Old St. Anne's Pass. Signed by governor: 04/06/01.
- Chap. 015, S.F. 346\*-Betzold, H.F. 243-Dawkins:** Modifies the Uniform Principal and Income Act. Signed by governor: 04/06/01.
- Chap. 016, S.F. 756-Kelly, R.C., H.F. 556\*-Stanek:** Authorizing federal law enforcement officers power of arrest in Minnesota. Signed by governor: 04/09/01.
- Chap. 017, S.F. 400\*-Kierlin, H.F. 416-Rifenberg:** Allowing the town of Hokah to vacate a town road. Signed by governor: 04/09/01.
- Chap. 018, S.F. 991\*-Kelly, R.C., H.F. 1046-Clark, J.:** Providing for school notification of student possession of drug paraphernalia Signed by governor: 04/11/01.
- Chap. 019, S.F. 9\*-Wiger, H.F. 172-Mares:** Authorizing cities to provide housing assistance for volunteer firefighters or ambulance personnel. Signed by governor: 04/11/01.
- Chap. 020, S.F. 971\*-Kelly, R.C., H.F. 64-McElroy:** Repealing the law prohibiting itinerant carnivals. Signed by governor: 04/11/01.
- Chap. 021, S.F. 327\*-Lesewski, H.F. 394-Seifert:** Repealing a provision about male animals or breachy cattle roaming at large. Signed by governor: 04/11/01.
- Chap. 022, S.F. 972\*-Kelly, R.C., H.F. 466-McElroy:** Repealing the law prohibiting endurance contests. Signed by governor: 04/11/01.
- Chap. 023, S.F. 570\*-Reiter, H.F. 252-Seifert:** Repealing obsolete rules. Signed by governor: 04/11/01.
- Chap. 024, S.F. 480\*-Johnson, Dean, H.F. 37-McElroy:** Repealing obsolete traffic regulations. Signed by governor: 04/13/01.
- Chap. 025, S.F. 27-Robling, H.F. 57\*-Molnau:** Including crimes against children as disqualifying offenses for school bus drivers' licenses. Signed by governor: 04/13/01.
- Chap. 026, S.F. 225\*-Johnson, Dean, H.F. 245-Juhnke:** Allowing licensed peace officers to determine necessity of patient restraints. Signed by governor: 04/13/01.
- Chap. 027, S.F. 702\*-Scheevel, H.F. 790-Davids:** Modifying the requirements for the Bluffland trail system. Signed by governor: 04/13/01.
- Chap. 028, S.F. 1204\*-Hottinger, H.F. 1951-Goodno:** Regulating the use of HIV and bloodborne pathogen tests. Signed by governor: 04/13/01.
- Chap. 029, S.F. 883\*-Hottinger, H.F. 994-Dorn:** Establishing a hospital waiver or variance request procedure. Signed by governor: 04/13/01.
- Chap. 030, S.F. 39-Johnson, Douglas, H.F. 47\*-Rukavina:** Requiring maintenance of closed iron mines and extending unemployment benefits to laid off LTV employees. Signed by governor: 04/11/01.
- Chap. 031, S.F. 274\*-Higgins, H.F. 116-Mulder:** Delaying the sunset for the Respiratory Care Practitioner Advisory Council and providing that athletic trainer registrations are cancelled for nonrenewal after two years. Signed by governor: 04/24/01.
- Chap. 032, S.F. 283\*-Kinkel, H.F. 501-Ozment:** Preventing the use of conservation officer enforcement activity comparisons in performance evaluations. Signed by governor: 04/24/01.
- Chap. 033, S.F. 1435\*-Price, H.F. 1455-Osskopp:** Modifies provisions relation to the Designer Selection Board. Signed by governor: 04/24/01.
- Chap. 034, S.F. 319\*-Moe, R.D., H.F. 453-Skoe:** Regulating discharge of judgements against bankruptcy debtors. Signed by governor: 04/24/01.
- Chap. 035, S.F. 456\*-Berglin, H.F. 424-Greiling:** Providing access to respite care in intermediate care facilities for persons with mental retardation or related conditions (ICF/MR) for recipients of services under the (MA) community based waiver and requiring county agency screening. Signed by governor: 04/24/01.
- Chap. 036, S.F. 210-Foley, H.F. 275\*-Abeler:** Prohibiting the projection of medical assistance (MA) cost savings from closure of nursing facilities located in certain counties with a low ratio of nursing facility beds to county residents over a certain age. Signed by governor: 04/24/01.
- Chap. 037, S.F. 104-Larson, H.F. 125\*-Nornes:** Modifying dentist licensure requirements for applicants trained in a foreign country. Signed by governor: 04/24/01.
- Chap. 038, S.F. 771-Kierlin, H.F. 949\*-Rifenburg:** Allowing for a smaller newspaper to serve as the qualified newspaper for smaller communities. Signed by governor: 04/24/01.
- Chap. 039, S.F. 142\*-Higgins, H.F. 387-Walker:** Increasing the membership of the State Council on Black Minnesotans. Signed by governor: 04/24/01.
- Chap. 040, S.F. 741\*-Orfield, H.F. 828-Mullery:** Providing for disaster volunteer leave for Hennepin County employees serving as volunteers with emergency disaster services organizations. Signed by governor: 04/24/01.
- Chap. 041, S.F. 1780\*-Lessard, H.F. 1747-Solberg:** Extending the exemption from laws or rules governing the delivery of local government services granted by the Board of Government Innovation and Cooperation to Itasca County for a chemical dependency treatment demonstration project. Signed by governor: 04/24/01.
- Chap. 042, S.F. 1460\*-Marty, H.F. 1634-Mahoney:** Applying the duty to warn law of violent client behavior to social workers and allowing social workers to form and participate in professional firms. Signed by governor: 04/24/01.
- Chap. 043, S.F. 1709\*-Johnson, Dean, H.F. 1404-Kuisle:** Exempting towed implements of husbandry from the tail lamp requirement. Signed by governor: 04/24/01.
- Chap. 044, S.F. 646-Rest, H.F. 867\*-Seagren:** Modifying and clarifying provisions relating to the Suburban Hennepin County Regional Park District. Signed by governor: 04/24/01.
- Chap. 045, S.F. 1915-Rest, H.F. 2119\*-Erickson:** Modifying charitable organization report filing requirements. Signed by governor: 04/24/01.
- Chap. 046, S.F. 249\*-Ring, H.F. 253-Seifert:** Repealing obsolete health and human services rules. Signed by governor: 04/26/01.
- Chap. 047, S.F. 70-Marty, H.F. 274\*-Dorman:** Restricting sales of mercury thermometer sales. Signed by governor: 04/26/01.
- Chap. 048, S.F. 914-Hottinger, H.F. 323\*-Haas:** Removing the expiration date of the provision requiring motor vehicle fuel franchisors to offer

- franchisees transfer rights in change in ownership cases. Signed by governor: 04/26/01.
- Chap. 049, S.F. 1127-Sams, H.F. 1160\*-Davids:** Reducing the frequency requirement for physician review of delegated physician assistants drug and medical device prescription activities. Signed by governor: 04/26/01.
- Chap. 050, S.F. 170-Neuville, H.F. 239\*-Lipman:** Modifying numerous real estate provisions. Signed by governor: 04/26/01.
- Chap. 051, S.F. 1332-Kiscaden, H.F. 1260\*-Dawkins:** Neutralizing terminology in child support and custody provisions. Signed by governor: 04/26/01.
- Chap. 052, S.F. 1419\*-Scheid, H.F. 1467-Holberg:** Modifying certain requirements for notices of claims on payment bonds by persons furnishing labor and materials. Signed by governor: 04/26/01.
- Chap. 053, S.F. 1790-Robling, H.F. 1637\*-Buesgens:** Repealing provisions requiring hawkers and peddlers to obtain a license. Signed by governor: 04/30/01.
- Chap. 054, S.F. 505-Higgins, H.F. 149\*-Pawlenty:** Regulating the sale and labeling of Halaal food, meat or poultry products. Signed by governor: 04/30/01.
- Chap. 055, S.F. 857-Samuelson, H.F. 1159\*-Pawlenty:** Modifying prior funding for Gillette Children's Hospital addition and local bridge replacement and rehabilitation. Signed by governor: 04/30/01.
- Chap. 056, S.F. 1066-Metzen, H.F. 1084\*-McElroy:** Omnibus banking and financial institutions bill. Signed by governor: 04/30/01.
- Chap. 057, S.F. 339-Murphy, H.F. 285\*-Ness:** Modifying and consolidating agricultural liens regulation provisions. Signed by governor: 04/20/01.
- Chap. 058, S.F. 954-Hottinger, H.F. 550\*-Eastlund:** Creating a trust status for funds in the higher education Edvest savings program and extending the time limit for HESO to publish a notice of intent to adopt or a notice of hearing for rules implementing the program. Vetoed.
- Chap. 059, S.F. 1214-Tomassoni, H.F. 995\*-Buesgens:** Modifying provisions relating to horse racing license application procedures and increasing the amount of nonsteroidal anti-inflammatory drugs allowed to be administered to race horses. Signed by governor: 04/30/01.
- Chap. 060, S.F. 1598-Schwab, H.F. 1383\*-Workman:** Repealing motorcycle handlebar height restrictions. Signed by governor: 04/30/01.
- Chap. 061, S.F. 1604-Wiener, H.F. 525\*-McElroy:** Modifying conditions for state or public employee receipt of daily pay for service on administrative boards and agencies. Signed by governor: 04/30/01.
- Chap. 062, S.F. 823-Betzold, H.F. 779\*-McElroy:** Modifying motor vehicle dealer franchise transfer practices. Signed by governor: 04/30/01.
- Chap. 063, S.F. 1678-Rest, H.F. 1219\*-Gunther:** Eliminating state involvement in the State Fund Mutual insurance Company created to insure employers against liability for personal injuries entitling employees to workers compensation benefits. Signed by governor: 04/30/01.
- Chap. 064, S.F. 1831-Ranum, H.F. 1889\*-Lipman:** Regulating Uniform Partnership Act of 1994 transition issues. Signed by governor: 04/30/01.
- Chap. 065, S.F. 876-Lesewski, H.F. 967\*-Mulder:** Allowing schools to sponsor potluck events. Signed by governor: 05/01/01.
- Chap. 066, S.F. 1187-Kelley, S.P., H.F. 1151\*-Mulder:** Modifies penalty provisions for psychologists. Signed by governor: 05/02/01.
- Chap. 067, S.F. 1045-Vickerman, H.F. 1188\*-Gunther:** Regulating the disposal of ash from fire training exercises. Signed by governor: 05/02/01.
- Chap. 068, S.F. 1979-Foley, H.F. 1192\*-Abeler:** Requiring the board of teaching to accept applications for temporary limited teaching licenses and personnel variances by July 1 before the start of the school year. Signed by governor: 05/02/01.
- Chap. 069, S.F. 1421-Stevens, H.F. 1522\*-Bradley:** Modifying full-time nursing home administrator requirements. Signed by governor: 05/02/01.
- Chap. 070, S.F. 1622-Sabo, H.F. 1681\*-Dehler:** Making housekeeping changes in provisions relating to state employment and extending a civil service pilot project. Signed by governor: 05/02/01.
- Chap. 071, S.F. 1266-Kinkel, H.F. 865\*-Fuller:** Authorizing community service in lieu of criminal fines under specified circumstances. Signed by governor: 05/04/01.
- Chap. 072, S.F. 983-Sams, H.F. 933\*-Gunther:** Specifying requirements for farm implements and outdoor power equipment buyback. Signed by governor: 05/04/01.
- Chap. 073, S.F. 1265-Kinkel, H.F. 953\*-Fuller:** Expanding the definition of child abuse under child protection provisions to violations of similar laws from other states. Signed by governor: 05/04/01.
- Chap. 074, S.F. 2097-Vickerman, H.F. 1748\*-Harder:** Authorizing the emergency medical services (EMS) regulatory board to grant temporary variances from staff requirements to rural ambulance services demonstrating hardship. Signed by governor: 05/04/01.
- Chap. 075, S.F. 1506-Larson, H.F. 1247\*-Eastlund:** Providing for the administration of Veterans Home Board planned giving donations. Signed by governor: 05/04/01.
- Chap. 076, S.F. 311-Scheid, H.F. 489\*-Haas:** Prohibiting the state or local government units from requiring contractors to procure surety bonds from particular insurance or surety companies, agents or brokers on competitively bid or negotiated public improvements projects. Signed by governor: 05/07/01.
- Chap. 077, S.F. 1611\*-Wiger, H.F. 1872-Marquart:** Modifying provisions relation to vocational rehabilitation facilities and programs. Signed by governor: 05/10/01.
- Chap. 078, S.F. 1999\*-Vickerman, H.F. 2396-Skoglund:** Repealing obsolete judicial system references. Signed by governor: 05/10/01.
- Chap. 079, S.F. 1932\*-Lesewski, H.F. 2070-Gunther:** Modifying and repealing economic security statutory provisions. Signed by governor: 05/10/01.
- Chap. 080, S.F. 773\*-Orfield, H.F. 782-McGuire:** Requiring a electronic alcohol monitoring study for DWI offenders. Signed by governor: 05/10/01.
- Chap. 081, S.F. 110\*-Vickerman, H.F. 390-Winter:** Authorizing a specific nonprofit management corporation for the Prairieland Exposition Center. Signed by governor: 05/10/01.
- Chap. 082, S.F. 1090\*-Reiter, H.F. 1409-Jacobson:** Adding an alternative form for minor employee age certification. Signed by governor: 05/10/01.
- Chap. 083, S.F. 1155\*-Langseth, H.F. 1085-Workman:** Setting maximum highway width or length limits for recreational equipment and motor homes. Signed by governor: 05/10/01.
- Chap. 084, S.F. 1706\*-Wiger, H.F. 1394-Tinglestad:** Allowing public elementary and secondary school students to possess and use asthma medications. Signed by governor: 05/10/01.
- Chap. 085, S.F. 511\*-Sams, H.F. 406-Jennings:** Modifying provisions relating to the state agricultural society. Signed by governor: 05/10/01.
- Chap. 086, S.F. 849\*-Vickerman, H.F. 1410-Gunther:** Authorizing employees of the Rural Policy and Development Center to participate in state insurance, retirement and other plans that apply to state employees. Signed by governor: 05/10/01.
- Chap. 087, S.F. 1432\*-Wiger, H.F. 1465-Stanek:** Providing for periodic police civil service examinations to applicants meeting certain threshold requirements and requiring the addition of applicants passing a later examination to the eligible register in the order of standing. Signed by governor: 05/10/01.
- Chap. 088, S.F. 1206\*-Kinkel, H.F. 1687-Clark, K.:** Expanding the Indian Affairs Council membership to include a member from Bemidji. Signed by governor: 05/01/01.
- Chap. 089, S.F. 930\*-Schwab, H.F. 254-Seifert:** Repealing obsolete motor vehicle carrier rules. Signed by governor: 05/10/01.
- Chap. 090, S.F. 923\*-Pariseau, H.F. 1067-Boudreau:** Providing a temporary social work licensure examination exception for persons who are refugees or immigrants. Signed by governor: 05/10/01.
- Chap. 091, S.F. 2006\*-Schwab, H.F. 1830-Workman:** Making certain motor vehicle accident data available to certain private agencies or the public. Signed by governor: 05/10/01.
- Chap. 092, S.F. 1008\*-Betzold, H.F. 1021-Buesgens:** Authorizing racing commission licensees operating card clubs to detain persons suspected of cheating. Signed by governor: 05/14/01.
- Chap. 093, S.F. 1441\*-Hottinger, H.F. 2110-Howes:** Providing a limited exemption to local government gift policy to attendees at a national or international conference or event. Signed by governor: 05/14/01.
- Chap. 094, S.F. 1404\*-Hottinger, H.F. 1657-Haas:** Permitting certain retired state employees to purchase group long-term care insurance through the same plan offered to active state employees Signed by governor: 05/14/01.

- Chap. 095, S.F. 1835\*-Kelley, S.P., H.F. 1920-Rhodes:** Authorizing employees to receive employment termination information within 15 days. Signed by governor: 05/14/01.
- Chap. 096, S.F. 986\*-Vickerman, H.F. 1069-Osskopp:** Modifying lawful gambling regulation provisions. Signed by governor: 05/14/01.
- Chap. 097, S.F. 2225\*-Pappas, H.F. 2181-Workman:** Authorizing school bus operation by licensed child care provisions. Signed by governor: 05/15/01.
- Chap. 098, S.F. 1056\*-Sabo, H.F. 1172-Workman:** Requiring school districts, nonpublic schools or private contractors to annually verify the validity of drivers licenses of school bus drivers with the national drivers register or the Dept. of Public Safety. Signed by governor: 05/15/01.
- Chap. 099, S.F. 1164\*-Frederickson, H.F. 1481-Cassell:** Modifying the definition of landowner for participation in the Reinvest in Minnesota program purposes. Signed by governor: 05/15/01.
- Chap. 100, S.F. 1064\*-Rest, H.F. 724-Rhodes:** Specifying procedures for state professional service contracts. Signed by governor: 05/15/01.
- Chap. 101, S.F. 2049\*-Sabo, H.F. 1764-Gleason:** Ensuring the historical preservation of the Coldwater Springs Camp area. Signed by governor: 05/15/01.
- Chap. 102, S.F. 1258\*-Frederickson, H.F. 1392-Gunther:** Expanding the Minnesota investment fund loan or grant authority. Signed by governor: 05/15/01.
- Chap. 103, S.F. 1772\*-Samuelson, H.F. 1549-Wenzel:** Restricting advertising on the C. Elmer Anderson Memorial Highway. Signed by governor: 05/15/01.
- Chap. 104, S.F. 520\*-Wiger, H.F. 481-Greiling:** Designating August 7 as combat wounded veterans day. Signed by governor: 05/15/01.
- Chap. 105, S.F. 510\*-Pappas, H.F. 1290-Howes:** Authorizing for the Hubbard and Cass County Boards appointment of the county auditor, treasurer, recorder or auditor-treasurer. Signed by governor: 05/15/01.
- Chap. 106, S.F. 780\*-Betzold, H.F. 1537-Lipman:** Making housekeeping and technical changes in state agency rulemaking provisions. Signed by governor: 05/15/01.
- Chap. 107, S.F. 824\*-Kelly, H.F. 935-Goodno:** Clarifying the liability immunity in the good samaritan emergency care law. Signed by governor: 05/15/01.
- Chap. 108, S.F. 333\*-Kelley, H.F. 1145-Boudreau:** Authorizing veterinary medicine cease and desist orders. Signed by governor: 05/15/01.
- Chap. 109, S.F. 859\*-Hottinger, H.F. 661-Steng:** Establishing the Accountancy Act of 2001, authorizing rulemaking and imposing penalties. Signed by governor: 05/15/01.
- Chap. 110, S.F. 1001-Sams, H.F. 926\*-Goodno:** Modifying the standards for the Minnesota uniform health care identification card. Signed by governor: 05/15/01.
- Chap. 111, S.F. 1774-Samuelson, H.F. 1248\*-Eastlund:** Modifying veterans homes resident deposit accounts requirements. Signed by governor: 05/15/01.
- Chap. 112, S.F. 1599-Chaudhary, H.F. 1596\*-Workman:** Expanding the definition of small vehicle passenger service to include for hire transportation of persons certified by the Metropolitan Council to use special transportation service in certain wheelchair accessible vehicles. Signed by governor: 05/15/01.
- Chap. 113, S.F. 2005\*-Foley, H.F. 2161-Stanek:** Designating the State Trooper Theodore Ted Foss Memorial Highway on I-90 in Winona County. Signed by governor: 05/15/01.
- Chap. 114, S.F. 1528\*-Terwilliger, H.F. 1526-Erhardt:** Authorizing Edina to restrict the operation of recreational motor vehicles under certain circumstances. Vetoed.
- Chap. 115, S.F. 1269\*-Samuelson, H.F. 1778-Walz:** Providing for the placement of a Bataan Death March commemorative plaque in the Capitol. Signed by governor: 05/15/01.
- Chap. 116, S.F. 1613\*-Knutson, H.F. 1827-Swenson:** Clarifying the authority of the Pollution Control Agency to expedite the permit process. Signed by governor: 05/15/01.
- Chap. 117, S.F. 1826\*-Oliver, H.F. 1955-Davids:** Providing for insurance producers licensing and regulation. Signed by governor: 05/15/01.
- Chap. 118, S.F. 2361\*-Berglin, H.F. 1832-Goodno:** Omnibus health, human services and corrections appropriations. Vetoed.
- Chap. 119, S.F. 910\*-Robertson, H.F. 887-Leppik:** Modifying the definition of residential roadway for traffic regulations purposes. Signed by governor: 05/15/01.
- Chap. 120, S.F. 560\*-Sams, H.F. 1081-Jacobson:** Modifying health care review organizations provisions. Signed by governor: 05/15/01.

**Editor's Note:**

The constitutional deadline for the regular session is midnight, Mon., May 21. Conferences committees will be meeting over the course of the weekend and on Monday. To stay abreast of the continually updated schedules for conference committees, please contact the Senate Information Office at (651) 296-0504. The office can also be contacted toll-free at 1-888-234-1112.

The next issue of *Senate Briefly* will be the last issue for this session and will include all information from the end of the session Monday. It will also contain a subscription renewal form for next year.

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# Senate Briefly

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*Lunch hour walkers take advantage of National Employee Health and Fitness Day and summer-like temperatures as they stroll past the Roy Wilkens Memorial on the Capitol grounds Weds., May 16.*

*Photo by David J. Oakes*



*May 25, 2001*

# Senate Highlights

## Session winds down

In the final two hours of the 2001 Legislative Session, Senators took action on several proposals before the mandatory midnight adjournment. A bill extending a deadline for St. Louis County to repay a state grant was carried by Sen. David Tomassoni (DFL-Chisholm). The bill, S.F. 793, sets Oct. 6, 2001, as the deadline for St. Louis County to repay a grant issued in 1989 for studying solid waste processing. The bill passed 58-1.

After receiving notice that the other body rejected the conference committee on S.F. 1495, the omnibus agriculture bill, members of the Senate laid the bill on the table.

Sen. Lawrence Pogemiller (DFL-Mpls.) explained the conference committee report on S.F. 2208, the annual public finance bill. He said the report is essentially the Senate version of the bill with a few missing provisions. A provision added by the Senate, permitting the city of St. Paul to issue \$50 million in bonds over 10 years to finance computer software, was removed in conference committee. The bill passed 60-2.

A bill regarding state procurement was carried by Sen. David Knutson (R-Burnsville). The bill, S.F. 1507, clarifies

organizational conflict of interest and cleans up the solicitation bid process for the Dept. of Administration. The measure was amended by the other body to include a provision ratifying a labor agreement for the state's engineers. Knutson said the ratification provision had been part of a bill carried by Sen. Linda Scheid (DFL-Brooklyn Park). Scheid said she was disappointed because her bill, S.F. 1438, ratified a series of labor agreements. However, she said, the bill was being held up by the other body because the provisions had been placed in a House omnibus bill. "As of tomorrow, agency heads, the MnSCU chancellor and others are going to get an 11 percent pay cut," unless their contracts are ratified by the Legislature before adjournment, she said. She said failing to ratify the labor agreements will amount to the Legislature going back on its commitment to Minnesota's commissioners, deputy and assistant commissioners, the MnSCU chancellor and campus presidents and other officials of state government.

Majority Leader Roger Moe (DFL-Erskine) expressed confusion over why the state would take care of some of its employees and ignore others. Scheid said the Legislature has never failed to ratify the labor agreements, but that the Senate

needed to concur with the amendment in order to avoid putting 800 state engineers in jeopardy of pay cuts also. Moe said he was concerned that the author of the amendment tacking the ratification provision onto Knutson's bill was the other body's chief negotiator on the omnibus state government budget bill, where Scheid's provisions are being held up. He said it was inappropriate that a provision that should have been negotiated separately, the labor agreement ratification bill, was being added into an omnibus bill and then a subset of the original group was being splintered off and added onto a different measure on the last day of session.

Sen. Steve Kelley (DFL-Hopkins) urged the Senate not to concur with the amendment. He said the issue is not whether the labor agreements will be ratified but rather the procedure by which the Legislature will do so. Sen. Dave Johnson (DFL-Bloomington) said the Legislature has rejected labor agreements before and the agreements get dealt with in time. The House amendments were rejected and the bill was sent to conference committee for negotiation.

Sen. Sheila Kiscaden (R-Rochester) said that members were all dispirited on the last night of the regular session. She said they all feel a tremendous amount of uncertainty over the targets for the entire state budget and that most members lack a feeling of accomplishment. Kiscaden urged Senate leaders to do what's right for all Minnesotans. What will be the quality of life of Minnesotans after the session's work is completed, she asked. She urged members to rest, reflect on their duties as Legislators and prepare to return to create a legacy for the session.

The conference committee report on H.F. 1541, presented by Sen. Julie Sabo (DFL-Mpls.), was adopted. Sabo said the conference committee accepted the other body's language on the bill, which provides for a study of rental application fees. The bill passed 56-0.

Sen. Becky Lourey (DFL-Kerrick) presented the conference committee report on H.F. 1515, the omnibus family and early childhood education appropriations bill. She said the original Senate version of the bill included \$41 million in funding over base budgets, \$20 million more than the governor and the other body had recommended. In the end, Lourey said, the conferees received a zero general fund target for increases. "We couldn't do all

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the things we'd dreamed of doing," she said. However, a children's trust fund is being created, she said, and after school enrichment grants are being funded. The enrichment grants were one of the governor's goals, she said, and will be funded from an increase in the community education levy. Another of the governor's goals, consolidation, could not be accomplished, Lourey said. Consolidation would have been possible, she said, but the conference committee did not have the funds in the outlying years to maintain it. Money from TANF that could have been used for consolidation efforts was directed into the basic sliding fee, she said. Lourey said federal money will be used to maintain the child care development fund. School readiness programs and Head Start were not appropriated additional money, she said, but they were held harmless. Lourey said, "the committee bit the bullet and put together the best bill for little kids it could with the funding level it was granted."

Sen. Sandra Pappas (DFL-St. Paul) said the conferees deserve congratulations for their effort. However, she said, she was disappointed with the missed opportunity. The Legislature had the ability to help children in their early, formative years, she said. A total of \$9 million is being given to children from federal funds, she said, but wealthy homeowners and businesses might get a \$900 million tax cut. "What does that say about us as a state," she asked. Sen. Jane Krentz (DFL-May Township) said the state will lose out on \$800 million in federal matching funds because the bill does not include full funding for lead abatement programs. Kelley said the Senate is presented with an unfortunate litany of all the things that were possible that aren't going to be done. He noted telecommunications aid for libraries is being funded at base levels in FY 02-03, but is not on the spreadsheets for FY 04-05. Kelley asked if residents in remote communities will have to assume the telecommunications costs in FY 04 and beyond. Lourey said that those residents will have to find ways to fund the costs on their own.

The bill passed 47-18.

The conference committee report on S.F. 1507, the state procurement bill, was adopted. Knutson said the bill included some additional provisions from Scheid's bill, thus ratifying other labor agreements. The bill passed 62-0.

In the closing moments of the session, both the Majority Leader and Minority Leader commented on the session and the work that is yet to be done. Minority Leader Dick Day (R-Owatonna) said the Senate finds itself in the same place it always does, with very few people making the decisions. He suggested Senators forego their per diem for a special session and get the remaining business ironed out quickly.

Moe said he agreed that everyone should be involved in the process. Conferees will be at the table tomorrow, he said, so that the public has the opportunity to understand why the Senate is fighting so hard for the necessary investments in education. Moe said Minnesota parents feel strongly about having the best public schools and having good, affordable opportunities for higher education too. "We think this a fight worth fighting and if it needs to go into overtime, so be it," he said. When the Senate started the session, Moe said, it said it would lay out a balanced budget and it did. We've been fighting a tough game since the start, he said. Moe pointed to the early childhood funding bill and called it the down payment on things to come. When the bill left the Senate, he said, it emphasized a host of things. Upon its return from conference committee, there is no streamlining, no reform, no across the board increase in services, he said. There is only a \$9 million increase in TANF and \$5 million property tax increase that the other body demanded, Moe said. "This is a down payment of what the Republicans across the street and the Ventura Administration want," he said. We're going to make sure that people can achieve their dreams, he said. We want a balanced tax program that doesn't shift the burden onto homeowners, renters and farmers, he said. We want a well trained workforce, he said. "That's what we're in it for," Moe said. In violation of Senate rules, several members rose to their feet and applauded Moe.

The President of the Senate adjourned the body until Tues., Jan. 29, 2002.

### Senate adjourns

President of the Senate Don Samuelson (DFL-Brainerd) brought down the gavel at midnight Mon., May 21, to end the first portion of the 82nd Legislative Session. However, because negotiations had broken down between the Senate, the House of Representatives and the administration, major spending bills

and the tax bill were left unfinished. Senators began holding working group meetings the following day, Tues., May 22, to hammer out compromises on the details of the major appropriations bills and the tax bill.

This final issue of Senate Briefly contains coverage of the final days of the session and the first two days of working group meetings. Subsequent Senate activities, including the special session, will be covered in the Senate's Perspectives magazine. Everyone who receives Senate Briefly will also receive the upcoming issue of Perspectives. In order, though, to be on the mailing list for Senate Briefly next year, it is necessary to return the subscription renewal form on the back page of this issue of Senate Briefly.

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# Committee update

## Finance

### Stadium bill advances

A Thurs., May 17, meeting of the Finance Committee found members considering, debating, and amending numerous aspects of S.F. 1857, a bill proposing a plan for a new Twins stadium. Sen. Dean Johnson (DFL-Willmar) presented the latest version of the bill, as amended by the Tax Committee. Sen. Douglas Johnson (DFL-Tower), chair of the committee, presided.

Dean Johnson said under the bill's proposal, \$250 million of the total \$300 million cost is guaranteed by the Twins. He highlighted major changes in the proposal. First, the stadium's tax-free zone is removed, with a 7 percent sales tax to be collected and earmarked for operations and maintenance of the ballpark. Second, the \$100 million dollar loan to the Twins

now has a 3 percent interest rate, instead of being interest-free. The loan comes from a surplus in the worker's compensation assigned-risk fund, and the bill now specifies that a pending court case over use of the fund has to be settled before the loan can be made. Other changes to the bill include tighter language on the Twins' 30-year lease requirement and the granting of stadium naming rights to the local government.

Aspects of the bill that remain in the original form were summarized by Dean Johnson. There is a process defined for selecting the site, a requirement that Major League Baseball pass a revenue sharing agreement, and a requirement that proceeds of seats, concessions and parking go to the Twins.

Douglas Johnson asked Dean Johnson to clarify the funding in the bill as it compares to the plan being carried in the

other body. Dean Johnson said the House bill uses \$140 million in revenue bonds. The same amount is provided in his bill by the \$100 million loan from the assigned risk pool and \$40 million in Metropolitan Council bonds repaid with RiverCenter loan repayments. Jerry Bell, president of the Twins, said the Senate version is preferable because its more competitive financially for the team and more palatable for voters because it uses less general fund money.

Sen. Randy Kelly (DFL-St. Paul) offered an amendment changing the site selection process. The bill specifies that local units of government may work together or with other entities or non-profits to submit a bid as a possible site for the stadium. Kelly said there needs to be a more level playing field in the bidding because if Hennepin County and the city of Minneapolis are allowed to work



Assisted by Sen. Michele Bachmann (R-Stillwater), left, and Sen. Cal Larson (R-Fergus Falls), far right, Sen. Bob Lessard (IND-Int'l. Falls) blows out the candles on a birthday cake in celebration of his 70th birthday Fri., May 18.

Photo by David J. Oakes



together, it will be hard for any other local governments to compete. He said the city of St. Paul has not been treated fairly in the past and is hampered by the process laid out in the bill. He added that the site selection panel is appointed by a governor who has disparaged St. Paul. His amendment specifies that only a city may submit a bid and that cities may only do so individually.

Sen. Linda Higgins (DFL-Mpls.) said all of the potential bidders, including the city of Minneapolis, will need to work with other entities to put a package together. Sen. Claire Robling (R-Prior Lake) said the amendment is also bad for suburban cities and counties because it keeps them from competing in the process. The amendment was adopted by a vote of 19-12.

Dean Johnson successfully offered an amendment deleting the bill's reference to the eventual disposition of the Metrodome. He said he does not want to interfere with discussions, negotiations and other legislation regarding the stadium and the existing lease contract with the Vikings. Sen. David Johnson (DFL-Bloomington) said the current situation with the Vikings demonstrates the need for stronger language in the bill to ensure that the Twins do not break the lease. He said perhaps there needs to be a clause allowing for collection of damages by the state or local government if the Twins attempt to get out of the lease. Sen. Richard Cohen (DFL-St. Paul) agreed that the agreement needs to make it financially unfeasible for the team to leave.

Bell said the team is not interested in leaving and welcomes requirements that the owner pay all outstanding debt. Cohen said the challenge with the Vikings is that they were sold to an out-of-state owner. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment requiring that, if the team is sold, preference be given to an owner in the state or to community-based ownership. Her amendment was adopted.

Sen. Sheila Kiscaden (R-Rochester) addressed language in the bill allowing free public use of the stadium. She said a similar provision for the Target Center has never come to fruition because, although groups do not have to pay rent to use it, they do have to pay operations and maintenance costs. She said the 7 percent tax could be designated as a source for covering operations cost when high school or college teams are using the stadium.

Sen. Cal Larson (R-Fergus Falls) said public use of the facility works with the Xcel Energy Center because it is coordinated through the Minnesota Amateur Sports Commission (MASC). He offered an amendment to make the bill's language similar to that adopted for the Xcel Energy Center. Kiscaden said the bill should be broader so that the public use does not have to be coordinated through the MASC. The Larson amendment was adopted.

Sen. Charles Wiger (DFL-North St. Paul) offered an amendment requiring that ticket prices remain at \$5 or less for at least 10,500 seats in the stadium. Dean Johnson successfully amended the amendment to clarify that it only applies to regular season games and to lower the total number of seats to 7,000. Bell said he is concerned about using a hard-and-fast limit on ticket prices, since the team often offers packages that include parking and concessions, making it hard to pinpoint what the ticket price is. Sen. Mark Ourada (R-Buffalo) said the amendment is too restrictive on the Twins as a business. The amendment was not adopted.

Douglas Johnson asked why the projected spending for the stadium does not cover the cost of a roof, given that the Twins play as early as April and possibly as late as October. Bell said that, despite the obvious advantages of having a roof, especially a retractable one, the team can not justify spending the additional \$100 million. He said the stadium in Colorado has heating coils under the field and in the seating.

The bill was approved by a vote of 22 to 12 and sent to the floor.

## CONFERENCE

### COMMITTEES

#### Family & early childhood ed

##### Members okay bill

Final negotiations on the early childhood education omnibus bill were held during the early childhood education conference committee Mon., May 21. A \$6 million increase in funding was supported by the House while the Senate sought a \$43 million increase that funded a key initiative, the consolidation plan.

Several hours of appropriation discussions, focusing on supplanting dollars from the basic sliding fee child care

program to various Senate and House key initiatives were brought to a halt when House and Senate leadership unexpectedly arrived with a message from the governor. Sen. John Hottinger (DFL-Mankato) and Rep. Tim Pawlenty (R-Eagan) told committee members that the governor indicated he would not sign a bill that included supplanted money. Members were then left with \$9 million for TANF that goes into the basic sliding fee program. Additionally, the committee agreed to a \$5 million per year community education levy. The final version of the early childhood education omnibus bill was funded at the governor's recommended level of \$553.5 million.

Sen. Becky Lourey (DFL-Kerrick) said she was disappointed with the outcome and said, "We are at a time of great surplus and we are not even responding to the needs out there."

## Health, human services and corrections

### Language compared

The conference committee on the omnibus health, human services and corrections appropriations bill, co-chaired by Sen. Linda Berglin (DFL-Mpls.) and Rep. Kevin Goodno (R-Moorhead), met Thurs., May 17, to continue discussing and adopting similar Senate and House provisions.

The miscellaneous portion of the omnibus bill, S.F. 1397, contains a provision prohibiting the commissioner of public safety from including any statistics on committing suicide or attempting to commit suicide in the compilation of crime statistics published by the department. Members from both bodies agreed to adopt the Senate language. Other miscellaneous provisions adopted by members include language expanding the scope of the compulsive gambling prevalence study, the term-expansion of the day training and habilitation rate structure task force and the establishment of a work group to study and develop recommendations regarding the efficient use of resources for providing services to deaf/blind individuals.

Long-term care workforce issues were considered. Several related provisions were adopted to require worker training program grants to match local requirements in the program consistent with other

# Committee update

Job Skills Partnership Board (JSPB) programs. Language limits grants to \$400,000 and expands the worker training program beyond TANF funding.

House-only provisions adopted by the committee include language specifying additional ground for termination of parental rights. The provision requires that a county attorney must file a termination of parental rights petition within 30 days of a county agency's determination that a parent has lost parental rights to another child through an order involuntarily terminating parental rights or if a parent is subject to an order transferring custody of the child to a relative. Members also adopted most of the vital statistics portion of the bill, drawn from S.F. 1345 and H.F. 1947, bills containing a preponderance of identical language.

The child welfare and foster care portions of the bill were discussed. Members adopted a provision amending the investigatory duties under the Child Abuse Reporting Act to make it clear that the local welfare agency has access to medical data and records for purposes of performing an investigation. Other provisions were adopted to specify procedures for investigations of abuse or neglect in a facility.

A House-only provision was adopted to direct the commissioner of economic security to require all general employment and training programs receiving state funds to provide information about opportunities for women in nontraditional careers in the trades and technical occupations.

Numerous provisions were adopted in the continuing care portion of the bill. The bill includes a provision to revise the semi-independent living services allocation formula, which was adopted. Other provisions were adopted to include the authorization of grants for the development, implementation and evaluation of case management services for persons infected with HIV and modifications were made to the consumer support grant program for persons with functional limitations. Under additional adopted provisions, consumer support grants are limited to 200 persons and Medical Assistance (MA) is authorized to provide private duty nursing services for an eligible recipient's spouse, the parent of a recipient under age 18, or a legal guardian. MA coverage for mental health targeted case management for persons in nursing homes, intermediate care facilities and hospitals is expanded under another adopted provision in the bill.

## Jobs, housing and community development

### Equal pay study considered

The conference committee on S.F. 2486, the omnibus housing and economic development bill, met Thurs., May 17, and discussed programs funded by the Senate but not by the House.

The House bill does not establish an equal pay commission, which the Senate measure creates to compile information on the income differences between men and women, minorities and nonminorities. Beth Hargarten from the Department of Labor and Industry said the commission's work would be superfluous because an extraordinary number of studies have already been done on the issue. "There is no need to reinvent the wheel," she said. "To start from scratch would not be a productive use of the commission members' time."

Sen. Ellen Anderson (DFL-St. Paul) reminded the members that the Senate bill does not require new research, but calls for a group of experts to assemble studies and reports that have already been done and to make recommendations to the Legislature. Rep. Chris Gerlach (R-Apple Valley) recommended that the study be done by the already established Legislative Commission on the Economic Status of Women. Anderson said the issue is about more than a gender difference. She said pay inequities exist between minority and nonminority workers as well as between men and women. She also said that the House has passed a bill that eliminates the Legislative Commission on the Economic Status of Women.

The Senate bill also includes funding for Minnesota Project Innovation, which the House does not fund. The Senate appropriates \$1.7 million to the organization, which was founded to develop science and technology businesses in the state. Randy Olson, executive director, said Project Innovation administers a seed capital investment fund that puts money into Minnesota startup businesses. Anderson said that no other program offers a greater bang for the buck. The project, she said, leverages \$4 in federal and private money for every \$1 in state investment.

Project Turnabout, a chemical dependency treatment center in Granite Falls, receives \$375,000 under the Senate bill that is not included in the House

measure. Last fall a tornado tore up the center's facilities, including a recently constructed building, said Phil Kelly, executive director. He said that in the rush to finish the economic development bill, the needs of the Granite Falls community, which has suffered three natural disasters in five years, should not be forgotten. Rep. Bob Gunther (R-Fairmont) asked if Project Turnabout had been covered by insurance. Kelly said the insurance company did not cover the complete cost of reconstruction.

## State government operations

### Progress eludes members

The conference committee on the omnibus state government appropriations bill, S.F. 2360, met in the morning and afternoon Mon., May 21, but were unable to begin adopting provisions into a conference committee report. Sen. Richard Cohen (DFL-St. Paul) chaired the meeting. Several Senators said the committee should adopt aspects of the bills that are in agreement, but House members said that, without an overall spending target for the bill, they were uncomfortable adopting any provisions that affected funding.

Sen. David Knutson (R-Burnsville) made a motion to adopt all of the funding provisions that had been common to the most recent compromise offers made by both sides. The motion was defeated.

Sen. James Metzen (DFL-South St. Paul) moved to adopt, one at a time, funding provisions that were the same in both bills for various aspects of the Department of Military Affairs. On four separate votes, House members passed or voted in opposition to block the adoption. Sen. Jim Vickerman (DFL-Tracy) moved the adoption of the matching funding provisions for the Gambling Control Board.

Rep. Phil Krinkie (R-Shoreview) offered an amendment removing a Senate provision allowing one-year pro-rated fees for premises permits. The Krinkie amendment was not adopted, nor was the Vickerman motion.

Cohen made a motion to adopt funding in two non-general fund contingent accounts. He said the funding is not affected by targets and is the same in both body's bills. Krinkie offered an amendment to add Senate language relating to the electronic publishing of state em-



*Conferees from the Senate and the House of Representatives met during the final week of the regular session in an effort to work out a compromise on a higher education budget bill.* Photo by David J. Oakes

ployee pay and benefits. The Krinkie amendment failed. Some House members chose not to vote on the Cohen motion and it, too, failed.

Another motion by Cohen proposed the acceptance of base-level funding for the Minnesota State Arts Board. Cohen said his motion excludes the increase originally proposed by the Senate. Krinkie offered to amend the Cohen motion to add House language limiting grant amounts. Cohen said the House language is detrimental to small arts groups, especially in Greater Minnesota. Krinkie asked why some large organizations, such as the Minnesota Orchestra, get a lot more in grants than others.

A representative of the board said state funding for large arts organizations represents less than five percent of their total budgets. Krinkie asked how long the state should be expected to fund organizations that are capable of supporting themselves. Redman said state funding is

still well below the level originally recommended by the bi-partisan group that first established the board. Cohen said he hopes that, like many other states and countries around the world, Minnesota will always fund the arts. The Krinkie amendment failed. On the Cohen motion, some Representatives passed. The motion did not prevail.

Sen. John Marty (DFL-Roseville) offered a proposal to accept language-only provisions that appeared in both body's offers. The provisions relate to a number of modifications to campaign and election procedure. Rep. Sondra Erickson (R-Princeton) asked counsel to describe, as Marty had done at a previous meeting, the numerous provisions included in the motion.

After a lengthy discussion and review of the provision, the motion was defeated as some members from the House passed on the vote.

## FLOOR UPDATE

Thursday, May 17

### Profiling compromise questioned

Members engaged in extensive debate of the racial profiling bill as it was taken up under Special Orders Thurs., May 17. S.F. 386, authored by Sen. Jane Ranum (DFL-Mpls.), had been advanced to the floor by the full Finance Committee a week earlier after considerable re-negotiation of some provisions by an ad hoc group of concerned parties.

The bill, as presented on the floor, requires participation in data collection for any law enforcement unit that receives funding for video cameras in patrol cars. The bill includes funding for a public awareness campaign and for officer training on racial profiling. A hotline for

# Floor update

people to register complaints related to traffic stops is established under the bill, and all officers statewide are required to give out a card listing the number whenever they make a stop. The bill also requires all law enforcement agencies to establish policies and oversight for addressing racial profiling. Finally, the bill commissions a study using the data collected and establishes an advisory committee.

In introducing the bill, Ranum said the process by which the compromise version had been drafted was historic. She said that representatives of law enforcement and communities of color came together for discussions facilitated by herself, Sen. Randy Kelly (DFL-St. Paul) and others. Considering the amount of “stress, disgust, and anger” expressed in committee hearings on the bill, she said, “It was not easy for the two sides to sit down and face each other and really hear each other.” She also said the process, besides producing the compromise bill, laid groundwork for a more positive and trusting relationship between people of color and law enforcement officers.

Sen. Warren Limmer (R-Maple Grove) and Sen. Dick Day (R-Owatonna) questioned the process, saying that members of the Crime Prevention Committee and key representatives of law enforcement were not involved in the negotiations Ranum described. Ranum listed the Senate committees that heard the bill and recapped some of the various changes the bill had gone through from its original form as a task force recommendation. She added that the ad hoc group with the communities of color included law enforcement participation representing rank and file officers, county sheriffs and chiefs of police. Sen. Satveer Chaudhary (DFL-Fridley) said he was involved with the group as well and encouraged Senators not to unravel the delicate balance achieved by the parties in the negotiations.

Day said scrutiny related to racial profiling diminishes public safety by influencing officers to make fewer stops. Ranum said the bill is not aimed at reducing all traffic stops, just those that are racially motivated like the ones described in testimony at committee hearings. Sen. Ellen Anderson (DFL-St. Paul) said that Day states his positions on transportation issues, including ramp meters and HOV lanes, are based on people’s “freedom to drive.” She said racial profiling impedes

certain people from driving freely around the state based only on the color of their skin.

An amendment was offered by Day to exempt the State Highway Patrol from the data collection requirement. He said patrol staffing, especially in rural areas, is stretched too thin already without the estimated 23,000 man-hours needed to administer data collection. He also said testimony was given in committee by the commissioner of public safety that the State Highway Patrol has never received a profiling complaint. Sen. Leo Foley (DFL-Coon Rapids) said that he was involved in the investigation of a complaint while he was a district commander with the patrol. Sen. Linda Higgins (DFL-Mpls.) said the patrol should show leadership on the issue, adding that if units are not profiling people based on race, they should welcome data collection to demonstrate it. The amendment was defeated by a vote of 24-39.

Kelly offered an amendment addressing a provision in the bill intended to help attract more ethnic minorities and women to law enforcement work. The bill allows three years of military police experience to fulfill existing education requirements for police training. The Kelly amendment changes the level of experience to five years. He said he supports the police science course of study required in Minnesota, but said two to four years of school can be financially prohibitive, especially for some minority populations. The amendment was adopted 46-18.

Limmer offered an amendment moving the authority for investigating profiling claims from the attorney general to the commissioner of human rights. He said the department is skilled for the kind of investigations involved. Sen. Thomas Neville (R-Northfield) said there is a potential for conflict of interest in the Attorney General’s Office because if a charge is eventually filed, the attorney general may be representing the unit involved. Ranum said representatives of communities of color said the investigation responsibility is a good fit with other consumer protection duties of the attorney general. Chaudhary said the attorney general, as an elected official, is more accountable to the people. Limmer said attorney generals come and go as a result of being elected and added that staff at the department might be more stable. The amendment was not adopted.

Another amendment was offered by Sen. Pat Pariseau (R-Farmington). The Pariseau amendment removes the requirement that officers distribute a card on each traffic stop explaining the complaint process and listing the hotline number. She said law enforcement officers are concerned the card is an “invitation to file complaints whether the complaint has merit or not.” She said there are already enough ways for people to file a complaint. Sen. Linda Berglin (DFL-Mpls.) said an average person drives in a lot of jurisdictions and it’s unreasonable to expect people to know what the process is everywhere. Sen. Julie Sabo (DFL-Mpls.) said that promoting an independent avenue for complaints is important because, if the affected people don’t trust law enforcement, they don’t trust that filing a complaint with the unit will be effective. Neville said he had originally offered the card idea but did not support it as part of the revised program in the bill. He said the unintended consequence will be that fewer tickets will be written. The amendment was not adopted.

Neville offered an amendment increasing the state’s court-ordered criminal surcharge from \$25 to \$29. He said generating the additional revenue from the surcharge is a better way to fund the bill. Ranum said the funding mechanism in the bill is fine and will have to be negotiated in conference committee anyway. The Neville amendment was adopted.

Ranum successfully offered a technical amendment and the bill was voted on for final passage. By a vote of 46-18, the bill passed.

In other business, Ranum gained repassage for another of her bills, S.F. 172. She recommended that the Senate concur with House amendments on the bill, which limits the number of offenses that are petty juvenile offenses. The House amendment, Ranum said, allows for longer periods of probation when alcohol is involved in juvenile offenses. The bill was unanimously granted repassage.

## Construction fees changed

Members also granted final passage to several other bills on Special Orders. Sen. Douglas Johnson (DFL-Tower) presented a bill that gives the state building official authority over interpreting and enforcing the state building code. The bill, S.F. 1205, also specifies that construction plan

review fees and other construction fees assessed by municipalities must be commensurate with actual costs of providing services to developers. Under the measure municipalities are required to submit to the state building office a report on the fees imposed on developers.

Johnson said the bill makes certain that fees are reasonable and reduces the cost of building housing. "If we are serious about affordable housing," he said, "this is the kind of thing we can do, and it won't cost the state a thing to do it."

Three amendments to the bill were adopted. The first, presented by Sen. Ann Rest (DFL-New Hope), adds provisions, which had been included in a separate bill, that focus on creating zoning ordinances that create an adequate supply of affordable housing. The provisions are recommended by the Minnesota Housing Finance Agency, she said. The amendment defines affordable housing as housing that is affordable to persons and families whose income does not exceed 80 percent of the

greater state income. The amendment also specifies that a zoning ordinance may be changed with a majority of votes by a city council, unless the adoption of a zoning ordinance changes all or part of existing classification of a zoning district, in which case a two-thirds approval is needed. Currently, a two-thirds vote is needed for all zoning changes.

Rest's amendment also establishes a construction codes technical advisory group to study and make recommendations on model development and redevelopment ordinances for the adoption by local governments.

Sen. Deanna Wiener (DFL-Eagan) and Sen. Steve Murphy (DFL-Red Wing) also offered amendments, which were adopted. Wiener's amendment adds provisions for appealing decisions made by the state building commissioner. Murphy's amendment allows the state building commissioner, in consultation with the Department of Labor and Industry, to adopt amendments to the mechanical code

portion of the state building code to implement standards for process piping.

A bill, presented by Sen. Dennis Frederickson (R-New Ulm), modifies the state unemployment insurance program. He said the bill is part of an effort to make unemployment insurance law easier for workers to understand. The AFL-CIO, the Minnesota Council of Nonprofits and the Dept. of Commerce support the bill, he said. The measure removes obsolete language and makes other technical changes. The bill also allows American Indian tribes to opt into the program similarly to the way political subdivisions of the state do. The Department of Economic Security, under the bill, is allowed to deny benefits to people who do not follow through on the application process. The Senate passed the bill, S.F. 1277. Sen. Sheila Kiscaden (R-Rochester) authored a bill, S.F. 1398, that restores a 30-year old provision allowing the Dept. of Health to review the circumstances of women who die within 1 year of giving



*Sen. Tony Kinkel (DFL-Park Rapids) ponders a map illustrating a proposed re-drawing of Senate districts as debate on a redistricting bill takes place during a Senate floor session Fri., May 18.*

Photo by David J. Oakes

# Committee update

birth. She said there are 15 to 20 maternal deaths in Minnesota each year. The Senate gave the bill final passage.

## Friday, May 18

### Redistricting plans approved

Redistricting proposals were the centerpiece of a contentious floor session Fri., May 18. After a debate marked by partisan divides, a DFL plan to redraw the boundaries of Minnesota's congressional and legislative districts gained approval.

Sen. Lawrence Pogemiller (DFL-Mpls.) authored S.F. 2377, the bill incorporating the DFL maps for both congressional and legislative districts. "The bill before you provides a fair and balanced map that is competitive for elections in the next decade," Pogemiller said. He pointed out that the state legislative map has 29 districts with a Democratic plurality and 38 with a Republican plurality, while the congressional map has three Democratic districts and five Republican districts. The districts also are close to the ideal size, are compact, do not split an excessive number of counties or cities and preserve communities of interest, according to Pogemiller. The congressional map, he said, increases the probability that minority candidates will be elected by preserving separate districts for Minneapolis and St. Paul. The map also preserves economic communities of interest by retaining an arrangement based on the four corners of the state, he said.

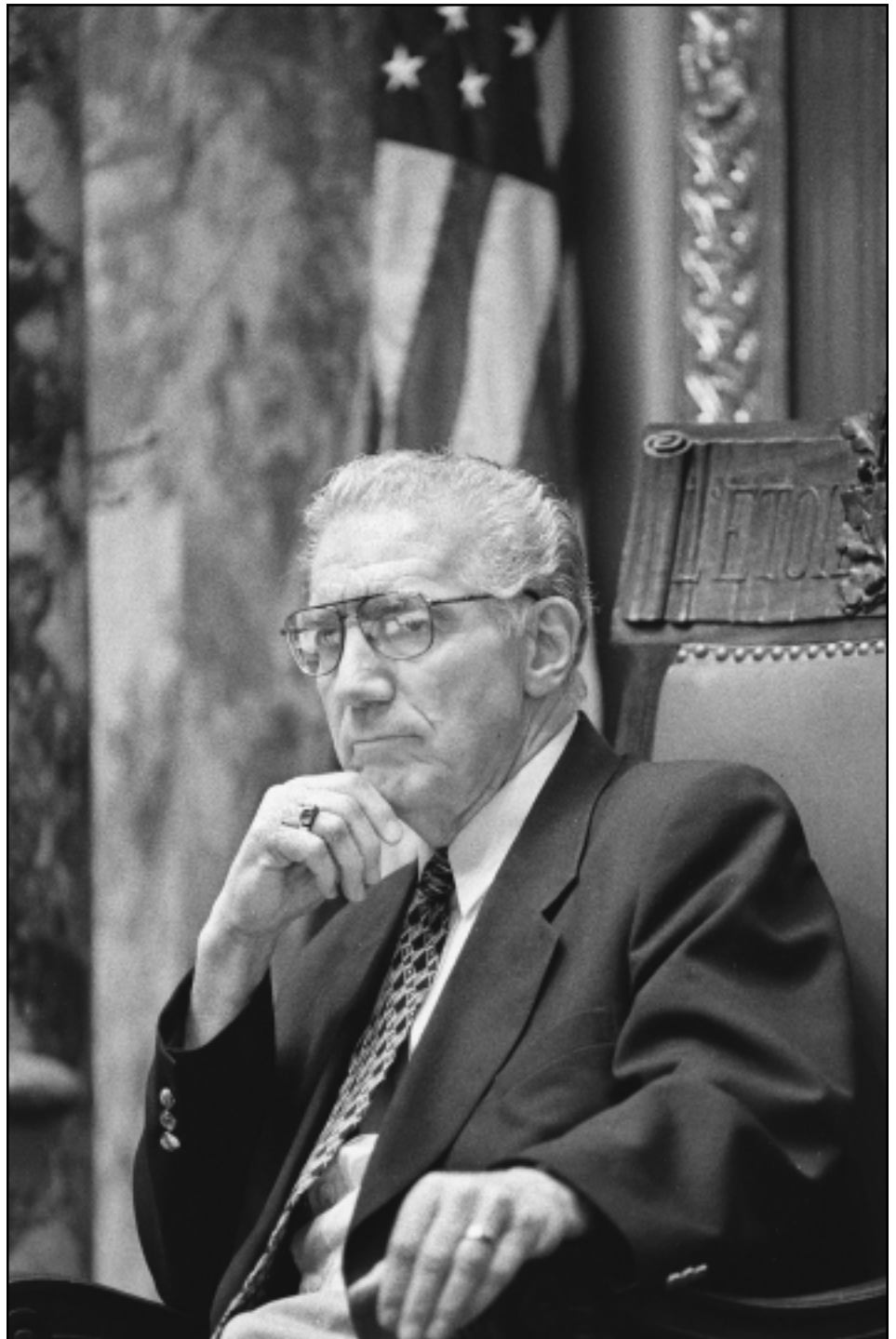
Pogemiller offered an amendment slightly adjusting the boundaries of several districts in order to retain certain neighborhood communities. The changes came in response to input from citizens, he said. Sen. Dave Kleis (R-St. Cloud) criticized the Senate redistricting process for having little input from the public, compared to the House hearings across the state. Sen. David Knutson (R-Burnsville) expressed skepticism that the changes are purely the result of public input. "We know these maps are worked on not for demographics, not to preserve communities of interest, but purely for political reasons," he said. Pogemiller pointed out that the public had the opportunity to testify at the open subcommittee hearings. The amendment was adopted.

Kleis then offered an amendment to replace the DFL plan for congressional districts with the Republican plan. "The alternative plans we have are fair and they

recognize the demographic shifts that have occurred in this state," he said. Kleis mentioned that 45 percent of the state's population now resides in the Metro Area suburbs. Therefore, he said, the Republican plan gives the suburbs three congressional districts, combining Minneapolis and St. Paul in a single district. According to Kleis, the combination creates a

minority opportunity district and recognizes common urban interests related to housing, transportation and cultural affairs. The Republican plan also creates an "up north" district united by the Canadian border and the Highway 2 transportation corridor, Kleis said.

Sen. Myron Orfield (DFL-Mpls.) criticized the Republican plan for mini-



Sen. Sam Solon (DFL-Duluth) contemplates the activities of the Senate from the President's chair during a floor session Fri., May 18.

Photo by David J. Oakes

mizing the power of the cities and violating the natural pattern of development in the Metro Area. He also challenged Republicans to provide a statistical basis, such as the index adopted by a citizen's advisory committee, for allegations of unfairness in the DFL plan. "We could spend all day telling anecdotes about each other's plans but we need some objective standards," he said. Kleis met Orfield's repeated objections by citing demographic changes documented in the 2000 census as the basis for the Republican plan.

Orfield also challenged the assertion that the Republican plan increases minority voting power. The combined urban district does not meet the criteria set by federal courts, he said. According to the criteria, minority population can only be taken into account when drawing district boundaries if the minority population is compactly distributed, shows evidence of political cohesion, and is likely to be outvoted by a majority block of white voters.

Sen. Thomas Neuville (R-Northfield) pointed out that the Democratic party runs few minority candidates, thus forcing minorities to choose between their traditional Democratic base and the opportunity to elect a minority candidate. "The Republican plan gives a real opportunity to members of the minority community not to elect two more white congressmen but to actually elect one of their own," he said. Kleis' amendment failed on a 27-38 roll call vote.

Sen. William Belanger (R-Bloomington) offered an amendment that replaces the DFL plan for state House and Senate districts with the Republican plan. The Republicans had criticized the DFL plan for pairing Republican incumbents in five districts, despite the fact that population increased in many Republican districts. Belanger pointed out that the Republican plan has three DFL pairings and four mixed-party pairings. He also said the plan splits very few counties and cities and creates districts that are very close in population. "The Republican plan is based on the needs of people, not politicians," Belanger said.

Pogemiller said the Republican plan is not competitive, since it creates 41 districts with a Republican plurality and only 26 with a Democratic plurality. "It's a case of overkill and greed by the Republicans that they need to have such a head start in the race to accomplish their

political goals," he said. Belanger replied that the DFL plan pairs so many Republican incumbents that even members of the DFL caucus find it comical.

Many Republican members asked what communities of interest justify drawing districts in such a way that Republican incumbents who live far apart are paired. Pogemiller said that districts don't belong to incumbents, and the DFL plan seemed to be a good map. Belanger's amendment failed on a 27-38 roll call vote. Finally, the bill was approved 35-28.

In other business, members concurred on House amendments to several bills. Mostly technical changes had been made to the following bills: S.F. 1434, relating to water use permits; S.F. 1263, an omnibus bill extending the sunset dates for several councils; S.F. 1680, a Dept. of Administration housekeeping bill; and S.F. 321, relating to background studies for guardians of vulnerable adults. All of the bills were unanimously repassed.

Members also approved H.F. 873, the omnibus tax-forfeited land bill. The bill had been to a conference committee and was then repassed by the House. The Senate also voted to repass the bill 57-0.

Finally, members adopted the conference committee reports for several Senate bills and repassed the bills. The following bills were approved unanimously: S.F. 1968, authored by Sen. Don Samuelson (DFL-Brainerd), appoints a task force to look at the safety aspects of overhead cranes; S.F. 1394, carried by Sen. Sheila Kiscaden (R-Rochester), relates to child placement; and S.F. 1154, sponsored by Sen. Steve Kelley (DFL-Hopkins), extends the life of the metropolitan radio board.

## Saturday, May 19

### Rental fee practices addressed

In an effort to process last minute legislation prior to the Mon., May 21, session deadline, the Senate convened Sat., May 19, to hear a variety of bills.

Several bills were placed on Special Orders and granted final passage. H.F. 1541, presented by Sen. Julie Sabo (DFL-Mpls.), prompted a lengthy debate. The bill requires a study of rental application fees and creates a single information source for renters and landlords. Sabo said the measure aids in eliminating the growing barriers to renters in securing a place to live.

Sen. David Knutson (R-Burnsville) favored the bill and said, "The cost to apply for rental property eliminates some prospective applicants because it is cost prohibitive." However, he said landlords have issues and concerns regarding how long screening documents are valid. "Mandates and costs imposed on landlords will only result in higher costs to renters," said Knutson. He offered an amendment that limits the number of applicant screening fees accepted by landlords. Knutson said the provision disallows the charging of fees unless a rental relationship is entered into by the landlord and renter. He said legislation is needed because the two sides have not been successful in arriving at a resolution.

Sen. Claire Robling (R-Prior Lake) asked if there is a clearing house that serves landlords by providing applicant rental history information and criminal background checks. Sen. Linda Higgins (DFL-Minneapolis) said there is no single clearing house but the time has come for the idea to materialize. Sen. Linda Berglin (DFL-Minneapolis) said some landlords hold units open and collect applicant fees greater than the amount of rent that could be charged. Sen. Mady Reiter (R-Shoreview) said that private business can provide the screening services needed and government should not get involved. She asked how many agencies exist and how often they are used. Sen. Julie Sabo (DFL-Mpls.) explained that several states, including Wisconsin, have successfully attempted to find private single sources for background checks.

"Four years after this issue first cropped up people are still paying exorbitant application fees and nothing has been done," said Sen. Satveer Chaudhary (DFL-Fridley). He said the Legislature should decide what the solution is, not the landlords or renters. The Knutson amendment was adopted and H.F. 1541 was given final passage on a 52-7 vote.

S.F. 829 was passed on a vote of 36-21. The bill modifies filing fees to deputy registrars for vehicle transactions. Under the bill, simple transaction fees were increased by \$1. More complicated transaction fees were raised to \$7 and electronic vehicle registrations through the state remained at \$3.50.

Members also heard H.F. 1497, carried by Sen. Roger Moe (DFL-Erskine), a bill relating to natural resources. Under

# Floor update

the bill, a variety of land exchanges are authorized. Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment allowing North Hennepin Community College to transfer the title of an 11-acre parcel of land, operated by the college, for an 11-acre parcel that is contiguous to the campus property. Scheid said the amendment is one of common sense and MnSCU is in agreement with the transfer arrangement. The amendment was adopted.

Another land transfer amendment was presented by Sen. Steve Murphy (DFL-Red Wing). The provision allows the city of Bird Island to exchange a piece of city-owned land for a parcel of privately-owned land for the purpose of returning it to a wetland. Sen. Dean Johnson (DFL-Willmar) said nine local, state and federal agencies are involved in the transaction that will culminate in a referendum. The amendment was adopted.

Sen. Pat Pariseau (R-Farmington) also offered an amendment that allows a person in a party of hunters to take more than the limit of small game allowed per person as long as the combined number of game in the party is no more than allowed per person by law.

In addition, the amendment requires hunters of bobcat, fisher, pine marten and otter, to present the animal to a state wildlife manager for registration before the pelt is sold or transported out of state. The amendment was adopted and S.F. 1497 passed on a 58-0 vote.

H.F. 1340, a bill permitting the appointment of the Wright County recorder was offered by Sen. Mark Ourada (R-Buffalo). Ourada said the Wright County recorder retired and an Itasca County person is highly qualified to fill the position. He said county officials feel it is unfair to require a person, who is unknown in the county, to run for office. Jim Vickerman (DFL-Tracy) spoke in favor of the bill saying that Wright County was inadvertently left out of earlier legislation allowing appointments of county recorders. H.F. 1340 passed on a 51-7 vote.

S.F. 1202, a bill retroactively repealing a provision of the predatory offender registration law (Katie's law), was presented by Sen. Randy Kelly (DFL-St. Paul). He said the bill closes the loophole in Katie's law that, under certain circumstances, excludes some offenders from registration requirements. The bill was passed unanimously.

The conference committee report on S.F. 1215, relating to human rights, was presented by Sen. Richard Cohen (DFL-St. Paul). The bill contains a number of department housekeeping provisions. The bill was granted re-passage on a 61-0 vote.

In other Senate business, members confirmed several appointments made by the governor. Members approved the appointments of Jeffrey Olson as the commissioner of the Department of Veterans Affairs and Guy Leff to the Board of Animal Health. The appointments of Patrick Thiry and William Thyne to the Minnesota Rural Finance Authority and Gorden Baden, MaryLu Brunner and Violet Wagoner to the Minnesota Veterans Homes Board of Directors were also approved.

Lawrence Gorrell, Russell Sharon, and George Sutton were all approved for the Board of the Arts. The appointments of Julien Clark Carter as commissioner of the Department of Employee Relations and Thomas Barrett as executive director of the Gambling Control Board were recommended for confirmation. In addition, the appointment of Frank Hornstein to the Metropolitan Council gained Senate approval.

The appointment of James Bernstein as commissioner of the Department of Public Service and the Department of Commerce was approved as was the appointment of Cyndy Brucato to the Board on Judicial Standards. John Baerg, Teresa Gisch, Michael Gutherie, Daniel Hankins, Jeffrey Schiff, Bruce Sherman, Robert Anderson, Steven Haaavisto, Martin Scheerer and Linda Way were approved for the Emergency Medical Services Regulatory Board.

Members confirmed the appointment of Rebecca Yanisch as the commissioner of the Department of Trade and Economic Development. The appointments of Marge Anderson, Lee Himle and Marina Lyon assigned to the Minnesota Housing Finance Agency and Thomas Johnson and Miriam Raccoon to the Workers' Compensation Court of Appeals were also approved.

## Foot and mouth bill passed

A bill outlining the state's response to an outbreak of foot and mouth disease in livestock was the focal point for discussion during the latter part of the Sat., May 19, floor session. The bill, H.F. 2514, carried by Sen. Steve Murphy (DFL-Red Wing),

expands the emergency authority of the board of Animal Health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals. Murphy said the bill allows the state to move quickly in case there is an outbreak of the highly contagious livestock disease.

Murphy offered an amendment clarifying that if a farmer's livestock had to be destroyed as a result of an outbreak, loans that the farmer might have outstanding could not be foreclosed upon until the farmer received federal compensation. Murphy said, "If a guy is down on his luck, I don't think we should allow him to be kicked for good measure." Sen. Roy Terwilliger (R-Edina) questioned the amendment and said that he was not aware of any other states moving to forestall foreclosures. Terwilliger said, "Not only is the farmer's property being destroyed, but also the property of the lending community because they have an interest in the farm. In our effort to move quickly, we may be moving too quickly." The amendment was adopted.

Sen. Steve Dille (R-Dassel) spoke in support of the bill, "I urge you to support the bill. I hope it is something we don't have to use, but if we do we will be ready."

The measure was granted final passage on a 61-0 roll call vote.

In other action Saturday afternoon, members granted final passage to several other bills on Special Orders. S.F. 2208, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), is the annual public finance and bond allocation bill. The Senate also granted final passage to H.F. 634, authored by Sen. Randy Kelly (DFL-St. Paul). The bill is the annual claims against the state measure. A bill, H.F. 1182, authored by Sen. Dennis Frederickson (R-New Ulm), modifying requirements for invention developers, was also granted final passage on Special Orders.

In addition, final passage was given to H.F. 708, sponsored by Sen. Dean Johnson (DFL-Willmar), clarifying the exemption of well drilling machines, pump hoists and other equipment from motor vehicle registration taxes. Two additional measures were also granted final passage. H.F. 2028, carried by Sen. Linda Higgins (DFL-Mpls.), modifies provisions relating to environmental audits and changes the reporting date for the Pollution Control Agency's annual performance report. H.F. 1973, sponsored by Terwilliger, regulates state highways in municipalities.



Several conference committee reports were also processed during the afternoon portion of the session. H.F. 1155, carried by Sen. Dallas Sams (DFL-Staples), requires health plan companies to provide certain information when requested by the commissioner, required an affirmative provider consent to participate in a network under a category of coverage, requires disclosure of changes in a provider's contract and establishes a moratorium on managed care automobile insurance plans. H.F. 707, carried by Kelly, classifies Carisoprodol as a controlled substance upon the effective date of a final rule adding Carisoprodol to the federal schedules of controlled substances. H.F. 1507, sponsored by Sen. Keith Langseth (DFL-Glyndon), clarifies the treatment of legal nonconforming uses for municipal planning and zoning purposes. S.F. 555, authored by Sen. Don Betzold (DFL-Fridley), modifies procedures relating to administrative rules.

H.F. 1153, sponsored by Sen. Arlene Lesewski (R-Marshall), exempting certain local government building projects from the requirement of employing an architect touched off considerable debate. Sen. Jim Vickerman (DFL-Tracy) made a motion to reject the conference committee report. Vickerman said that the bill, when it left the Senate, provided for a study of the issue. He said exempting projects from the requirement of using an architect could pose a threat for public safety. Lesewski said the bill specifies that only buildings costing less than \$50,000 could use the exemption.

Sen. Dan Stevens (R-Mora) said the bill reflects a reasonable compromise and that the aim is to exempt buildings such as sheds and equipment storage facilities from the requirement. Betzold supported the Vickerman motion and said, "Public safety is at stake." Lesewski countered that the bill requires buildings to meet fire code and building code requirements, thus eliminating the public safety threat. The Vickerman motion failed on a 31-33 roll call vote. The conference committee report was adopted and the bill repassed 35-28.

## Monday, May 21

### Committee reports repassed

Senate members gathered in the chamber on Mon., May 21, for the final regular session day of floor debate.

Sen. Dean Johnson (DFL-Willmar) laid S.F. 1857 on the table. Johnson said the bill finances the construction of a Twins baseball stadium, an issue that would be kept alive and picked up again in the next session.

Sen. Randy Kelly (DFL-St. Paul) carried S.F. 1644. The measure is a resolution suggesting to Congress that they provide economic aid to India following the incredible earthquake of last January, he said. Kelly told members that it was the strongest earthquake in 50 years, which left over 600,000 people homeless and requests international aid of \$4-\$5 billion for rebuilding. "Minnesota has a large East Indian population, approximating 20,000 people," he said. Members unanimously voted in favor of approving the resolution, 57-0.

A conference committee report on S.F. 1752 was recommended for approval. The bill, authored by Sen. Sam Solon (DFL-Duluth), authorizes several on-sale liquor licenses in Minnesota, including a wine and beer license for special occasions at the Capital Cafeteria. Sen. James Metzen (DFL-South St. Paul) said that wine and beer were sold at the Capitol in the past.

Sen. Linda Berglin (DFL-Mpls.) carried a patient protection bill, S.F. 491. Berglin said the House made several changes to the measure and she recommended approval. The bill was re-passed on a 62-0 vote.

The conference committee report related to agriculture, S.F. 1495, was carried by Sen. Steve Murphy (DFL-Red Wing). Sen. Jane Krentz (DFL-May Township) asked members not to adopt the conference committee report and recommended that it be re-referred back to the conference committee. Krentz said she wanted to strike a provision authorizing a bounty for the destruction of coyotes. She said, "We haven't had bounties in Minnesota since the mid-1960's." Krentz maintained that bounties have been proven ineffective as a means of predator control and also stated that the provision does not belong in an agriculture bill, but is more appropriately discussed in an environment and natural resources context.

Murphy said coyotes pose serious problems because they roam in packs and kill chickens and other small animals.

Sen. Claire Robling (R-Prior Lake) said she supported Murphy's recommendation for adopting the report because the coyote population has grown out of

control. She said coyotes kill cats and other pets as well as farm stock.

Sen. Dennis Frederickson (R-New Ulm) said, "We're going back 25 years in putting a bounty on predators. We're putting a bounty on a close cousin of the wolf, which is a mistake because we're just regaining control of our wolf policy from the federal government," he said.

Murphy said he was concerned that should the bill be returned to conference for revision, the biodiesel portion of the bill would be compromised. Other provisions in the bill were discussed, including a provision that criminalizes operating or selling a farm tractor knowing that the clock-hour meter is disconnected or nonfunctional.

Members voted not to concur with the report and sent it back to conference committee on a 38-26 vote.

Sen. Becky Lourey (DFL-Kerrick) recommended re-passage of S.F. 1464, a bill containing lead poisoning and well water protections. Members voted 56-1 to re-pass the bill.

At the conclusion of scheduled business, the Senate recessed until mid-afternoon.

### Ag, energy bills approved

Sen. James Metzen (DFL-South St. Paul), chief author, called the omnibus energy bill "a great victory for the people of Minnesota."

Sen. Ellen Anderson (DFL-St. Paul) said the bill as the Senate passed unanimously originally was much stronger. She said the mandate for 20 percent of energy to be provided by renewable sources is no longer in the bill. "Renewable energy," she said, "is good for the economy, good for the environment and good for rural Minnesota." She said 12 states mandate renewable energy sources. "The bill is a baby step forward instead of the giant step forward, which is what the Senate wanted," she said.

"The bill does a good job on conservation spending," Anderson also said. "Conservation is conservation. A program has to reduce energy consumption to be considered conservation under the bill."

Sen. LeRoy Stumpf (DFL-Thief River Falls) asked whether the bill recognizes thermal heat exchange as a source of energy. Sen. Steve Kelley (DFL-Hopkins) replied that, although there are benefits to thermal heat exchange, it did not fit within the bill's focus on electricity.

# Floor update



**On the last day of the regular session, Mon., May 21, Majority Leader Roger Moe (DFL-Erskine) pauses outside his office to listen to a live public radio broadcast of an interview with the governor.**

Photo by David J. Oakes

Metzen said the bill tightens energy efficiency standards for public buildings by 30 percent. Sen. Michele Bachmann (R-Stillwater) said she was concerned that sustainable building guidelines for state buildings would increase the cost of construction. Metzen said he, too, had been worried about the price tag on the guidelines. However, he said, people who testified in committee estimated that the increase in cost would be about 1 to 3 percent. "The cost pays back in a few years," Metzen said.

The omnibus energy bill passed unanimously, 64-0.

Sen. Twyla Ring (DFL-North Branch) moved that the vote whereby the conference committee report on S.F. 1495 was rejected by the Senate and returned to the conference committee be reconsidered. She said the Senate needed to reconsider adopting the conference committee report because the House had refused to appoint

a conference committee. Sen. Steve Murphy (DFL-Red Wing) said he had pleaded with the chair of the House Agriculture Committee, who flatly refused to convene a conference committee. Kelley said the conference committee had taken out important parts of the bill and added irrelevant provisions.

"I want to support the bill," he said. "Because I want to support biodiesel." The bill requires all diesel fuel in Minnesota to contain at least two percent biodiesel fuel. Sen. Jane Ranum (DFL-Mpls.) said, "We have to be careful when we allow the other body to dictate the creation of a conference committee."

Sen. Linda Berglin (DFL-Mpls.) said, "We don't have to be held hostage by the House." Rings' motion to reconsider the rejection of the conference committee report was approved. By a voice vote, the conference committee report was adopted. On a 42-24 vote, the Senate gave final passage to the agriculture omnibus bill.

Sen. Douglas Johnson (DFL-Tower) presented S.F. 1310, a bill that requires construction plan review fees and other construction fees paid to municipalities to be based on the actual costs of providing services to developers. Under the measure, municipalities must submit to the state building office a report on the fees imposed on developers. The Senate adopted the conference committee report on S.F. 1310 and gave the bill final passage 59-1.

Criminal penalties for possessing or distributing child pornography are made more severe by S.F. 969, authored by Sen. Satveer Chaudhary (DFL-Fridley). The bill ups the maximum sentence for possessing child pornography from 5 to 7 years for the first offense and from 10 to 15 years for additional offenses. Chaudhary said the measure does not increase the burden on prisons. The bill, as amended by the House, was given final passage on a 55-0 vote.

Sen. Becky Lourey, author of S.F. 1367, said the Senate should concur to House amendments to the bill, which updates procedures for forming new counties. The bill requires county commissioners to be elected for new counties. Currently, county commissioners in new counties are appointed by the governor. Lourey said the House amendments were practical. The House amended the bill to apply only to counties with more than 4,000 residents. The Senate granted the bill repassage 62-0.

The Senate also concurred with House amendments to S.F. 1344, sponsored by Sen. Linda Higgins (DFL-Mpls.). The bill modifies the method of payment of commissions to employees. The bill prohibits employers from altering the method of payment, timing of payment or procedures for payment of commissions earned through the last day of employment after an employee quits working. The Senate repassed the bill 62-1.

Sen. Cal Larson (R-Fergus Falls) moved that the Senate adopt the conference committee report on S.F. 103, a bill that modifies criminal penalties for gasoline theft. Larson said the House added a provision increasing the fines for writing bad checks. He said \$100 million each year is lost in the gasoline sales business due to bad checks. The bill was repassed 51-14.

The Senate also concurred with House amendments to S.F. 107, authored

by Ring. The bill adds a definition of “supported employment” to statute and modifies health care access programs. On a 61-0 vote, the Senate granted the bill repassage.

Sen. Edward Oliver moved to adopt the conference committee report on S.F. 1541, a bill that makes several modifications to real estate agency regulations and licenses. The bill establishes a consumer education account that sets money aside for programs that help consumers avoid being victimized by unscrupulous lenders and mortgage dealers. The Senate adopted the conference committee report and repassed the bill 60-0.

The Senate concurred with the House amendments to S.F. 229, a bill concerning the procedures for expunging criminal records. Sen. Jane Ranum (DFL-Mpls.) said the changes were needed to incorporate Minnesota Supreme Court rulings. On a 60-0 vote, the Senate repassed S.F. 229.

S.F. 1965, which repeals obsolete language concerning economic development programs, was also repassed by the Senate with the House amendments. The bill changes the title of director of tourism to the deputy commissioner of tourism.

The Senate granted two bills sponsored by Betzold final passage. The Senate adopted the conference committee report on S.F. 1068, the omnibus data privacy bill. The bill was repassed 60-0. S.F. 2249, a bill that makes minor grammatical revisions to laws passed during session, was passed 64-0 on Special Orders.

The Senate also voted to overturn two vetoes. The Senate repassed S.F. 2031, a bill authored by Sen. David Knutson (R-Burnsville), 63-1. The measure specifies that any clause in a public works contract that waives the rights of a contractor to seek recovery for costs or damages for delays, disruption or acceleration in performing the contract is void if the delay, disruption or acceleration is caused by a public entity. S.F. 1821, sponsored by Sen. Steve Murphy (DFL-Red Wing), was repassed 62-2. The bill gives jurisdiction over disputes concerning the paralleling of telecommunication lines with railroad tracks to Department of Public Service and Public Utilities.

### More conference reports adopted

Members voted to adopt the conference committee reports on a number of

bills. H.F. 1261, carried in the Senate by Sen. Satveer Chaudhary (DFL-Fridley), is the Department of Corrections omnibus bill. The report was adopted and the bill gained final passage unanimously. Sen. Sheila Kiscaden (R-Rochester) gained unanimous final passage for the conference committee version of H.F. 1406, a bill that provides for studies of death among pregnant or recently pregnant women.

Finally, a conference committee report on the Department of Transportation housekeeping bill was presented by Sen. Mark Ourada (R-Buffalo). The bill, S.F. 1769, was approved as amended by the conference committee and given final passage.

Taking up bills on Special Orders, Sen. Douglas Johnson (DFL-Tower) presented S.F. 1312, a bill that directs the Office of Strategic and Long Range Planning to study relocation of some state offices to Greater Minnesota. He said the Department of Revenue successfully located a collection office on the Iron Range ten years ago.

Sen. John Hottinger (DFL-Mankato) added a technical amendment ceasing the rule-making authority of the Indian Affairs Council. The amendment was adopted and the bill passed 42-14.

An omnibus insurance bill from the Department of Commerce was presented by Sen. Linda Scheid (DFL-Brooklyn Park). She said all of the controversial aspects of the bill had been removed, and the version she presented only includes two provisions not in the other body’s corresponding bill. The added language, she said, relates to two non-controversial provisions amending a notice requirement and moth-balling the Health Reinsurance Association. The bill was passed on a unanimous vote.

The final bill passed before the body recessed was S.F. 2328, authored by Sen. Randy Kelly (DFL-St. Paul). The bill is a resolution invoking Congress to amend the Railroad Unemployment Insurance Act to allow railroad workers who are also veterans to be eligible for both military retirement and railroad worker benefits. The bill passed unanimously.

In other business, a joint resolution was also approved by the body. S.C.R. 8, presented by Sen. Roger Moe (DFL-Erskine), officially establishes the start date for the 2002 Legislative Session as January 29.

## WORKING GROUPS

### Health, human services and corrections

#### Agencies testify about concerns

Senate members of the omnibus health, human services and corrections appropriations bill working group, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., May 22, to hear testimony from health agencies. Members from the House did not attend. However, a letter from the committee co-chair, Rep. Kevin Goodno (R-Moorhead), indicated that House members felt they had accomplished much in the three meetings already held and conveyed an assurance that the House conferees “stand ready to continue our work in negotiating a final health, human services and corrections bill when our budget targets are known.”

Several witnesses spoke to the need for cost-of-living increases (COLAs) for long-term health care workers. Spokesman Jim Vossen, UFCW Local 653, said hiring and retention incentives for nursing home workers should be a funding priority. Vossen credited Rep. Fran Bradley (R-Rochester) for health reform efforts including COLAs for health care workers, increased funding for nursing homes and loan forgiveness programs for health care professionals, as reported in a May 3 Focus News letter to the editor by Bradley, distributed to those in attendance. Berglin informed him that the primary provision addressed by Vossen was in the Senate bill but not in the House version. Vossen said he was merely responding to what he’d read in the news. Sen. Leo Foley (DFL-Coon Rapids) said, “you need to express your concern to Bradley because we can’t do anything until he comes to the table.” Vossen said he supported efforts to help health care workers climb the career ladder, including loan forgiveness, scholarships and other incentives.

Iris Freeman spoke on behalf of the Alzheimer’s Association. “Our message is to invest in staffing first,” she said. According to Freeman, there are 90,000 Minnesotans with Alzheimer’s disease and the relationship between patient and staff is of the utmost importance, especially since the disease is marked by total dependence at the end. She emphasized that facilities are staffing at “dangerously low levels.”

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Minnesota Alliance for Health Care representative Kathy Kelson focused on the decline of services in nursing homes. She said there are now more mistakes reported in dispensing medications. Kelson said nurses and assistants no longer have time to “walk” patients, daily programming has been cut and in some instances patients aren’t receiving pain medications as requested. She agreed that COLAs and benefits were drastically needed to attract nursing home staff who are underpaid. Berglin said that COLAs were not in the governor’s budget and Legislators would have to either exceed his budget or do away with some other project.

Karen James, speaking for Minnesota Developmental Achievement Association, said COLAs are the number one priority for workers in day training and rehabilitation services. “The amount in the Senate bill addresses our needs,” she said. Without the increases, she said, staff morale will be devastated.

Rick Hammergren, REM spokesman, told members that there are approximately 4,000 employees hired to help persons

with developmental disabilities. The turnover rate is about 43 percent, he said. Starting salaries within the field range from \$8.13 per hour to \$8.71 per hour and COLAs are critically important in attracting employees, according to Hammergren. Berglin said part of the logic in providing better benefits for staff is related to the fact that health insurance providers charge higher premiums for this category of employee because they are classified as high risk due to extraordinary physical and mental job stress. The result, said Berglin, is that children of staff are penalized and typically aren’t covered by health insurance.

Bruce Nelson, representing ARRM, thanked the Senate for “taking the lead in addressing the staff crisis as well as the housing crisis.”

Care provider Doug Beardsley addressed the 4 percent increase in the administrative reimbursement. He said the 3.4 percent rate of inflation statewide was problematic. “Our concern is that the state prescribes how we may use reimbursements,” he said. According to Beardsley,

the typical nursing home in Minnesota is losing an average of \$148,000 per year.

MARRCH Chemical dependency provider David Hartford told members that the substance abuse delivery system of care is being dismantled and that providers in his area are at a break-even point in payment of direct expenses. Also speaking in behalf of the chemical dependency providers, David Cain said he came to protest the dismantling of the substance abuse delivery system, complicated by the imposed rate freeze. He said it was impossible to attract quality staff and once counselors are trained and licensed, they soon leave for better paying positions elsewhere. He said, “Please hold fast to the Senate version of the bill,” and urged members to consider that if the chemically dependent working poor aren’t helped while they’re still holding down jobs, we’ll pay more to help them once they become indigent. He also said that Minnesota, once known for its progressive treatment policies, has declined to rank 46th in the nation in terms of treatment episodes per 100,000 people.



*Sen. Pat Pariseau (R-Farmington), center, strategizes with Sen. Steve Dille (R-Dassel), left, and Sen. Bob Kierlin (R-Winona) in the Senate Chamber during a final week floor session.*

Photo by David J. Oakes

Other representatives at the meeting include Raeone Loscalzo and David Doth, Maternal and Child Health Care; Bette Packer, Environmental Food Safety; Ann Ricketts, Face to Face; Ray Martin, Health Start; and Troy Mangan, Dept. of Human Services.

The working group heard testimony on several DOC programs in the Community Services Division that are not funded in the House version of the omnibus bill. The programs help offenders with the transition into daily life after release from prison. Pam Cosby represented the Community Preservation Unit (CPU). Citing the disproportionately high percentage of people of color in prisons, she said the CPU creates partnerships between communities of color and the criminal justice system to help communities remain healthy and safe when offenders are released. The cost of the program is \$200,000 per year. "Cutting programs like this really makes a statement about what Minnesota values," she said.

Dave Braveheart spoke for the Walks Tall Program, which provides services to American Indians. Offenders who are about to leave prison receive counseling and assistance with employment, housing and daily living skills, he said. The program has received \$421,000 a year since its inception, he said.

Finally, Deb Feeny described the Amicus program. She said the program provides pre-release assistance to offenders of all colors and creeds. The program also matches volunteers with inmates for one-to-one visits, she said. Feeny thanked the Senate for supporting the program in its version of the omnibus bill.

### Agencies respond to proposals

Senate members of the omnibus health, human services and corrections appropriations bill working group, chaired by Sen. Linda Berglin (DFL-Mpls.), gathered Weds., May 23, to hear testimony from health and human services agencies.

Representing the Dept. of Human Services (DHS), Kathy Henry provided information about S-CHIP eligibility requirements in Minnesota as compared to other states. Since the passage of the federal S-CHIP program in 1997, Minnesota lost its ranking as leader in children's health care coverage, she said, and an estimated 70,000 children are uninsured in Minnesota. The governor's plan aims to reduce that number to 10,000, according

to Henry, for children under age 18 who are living at 185 percent of the poverty level. One of the problems in reaching more children is that many families are struggling to pay for basics, such as food and rent, she said, and they can't afford the \$4 health premiums required per child. Several states, including Alaska, The District of Columbia, Florida, Hawaii, Maryland, Missouri, Puerto Rico and Utah, require zero premium payment for children's health coverage at 200 percent of poverty level, according to material provided by Henry.

Erin Murphy, speaking for the Minnesota Nurses Association, discussed the barriers responsible for keeping children uninsured. The barriers include the lengthy application process, bi-annual Medicaid continuous coverage and redetermination paperwork requirements, MinnesotaCare's cost sharing requirements which are not currently S-CHIP compliant and the need for more outreach programs.

Legal Services advocate Kathy McDonough said that de-linking Medical Assistance (MA) from the Minnesota Family Investment Program (MFIP) is one of the major welfare reform issues of the session. She said that de-linking means that MFIP parents will not be eligible for health care coverage. "We're not just de-linking programs, but we're eliminating eligibility," she said. Responding to questions from the chair, Henry said DHS is looking at whether or not clients can transfer from Medical Assistance to MinnesotaCare without having to again undergo the application process. Berglin said it would simplify matters if clients could just be sent notification that they were being transferred to a new program.

A spokesperson for the Welfare Rights Committee said the welfare time limits affect 15,000 children. She said she strongly supported the Senate version of the bill, which stops time limits and extends programs for those not yet able to earn a living wage. She said she strongly opposes the House version of the bill because it disallows extensions and will severely impact thousands of Minnesotans. "A living wage means that a single mother with two children needs to make over \$16 per hour in Minnesota because of the lack of affordable housing, high childcare costs and health care costs," she said.

Affirmative Options Committee representative Jason Walsh agreed that the House bill, which cuts families from

programming, does not adequately address realities in Minnesota. He said that most MFIP clients must compete with families living at much higher income levels for rent and other necessities. He also said the House bill does not provide new emergency funding for transitional housing and homeless housing that will be needed as a result of proposed policies.

Other speakers included Michelle Clarke, Minnesota March of Dimes; David Edwards, Metropolitan Health Plan; Jim Chase, DHS; Ken Cornish, St. Peter Community Hospital and Health Center; and John Diehl, Pine Medical Center.

## K-12 education

### House provisions discussed

In an effort to work out differences between House and Senate positions on K-12 education, a working group, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls) and Rep. Alice Seagren (R-Bloomington) met Tues., May 22. Members met to discuss same and similar language in the K-12 education omnibus bill as well as to address three key House initiatives. While no provisions were adopted, members discussed language relating to the alternative compensation program for teachers, the value-added program and the structural balance provision.

The alternative teacher compensation measure provides incentives for teachers to continuously improve knowledge and skills, for school districts to recruit and retain highly qualified teachers and to support teachers' roles in improving students' educational achievement.

Rep. Robert "Bob" Ness (R-Dassel) said the governor's compensation measure that costs \$150 per pupil is more expensive to accomplish than the House \$15 million provision that reflects the actual cost of paying teachers versus the per pupil amount in the governor's plan.

Seagren said the funding is not available to offer the plan to all districts so the House is hoping the program will establish some successful models that can be expanded. The House plan provides for funding models that require all participating district teachers to be compensated under the professional pay ladder schedule instead of the present step and lane salary schedule. Under the House measure, Seagren said 10 days are devoted to staff development activities, including a new

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teacher mentorship program that provides continuous learning opportunities, ongoing orientation and sustained teacher support. Under the plan, alternative compensation aid for qualifying school districts consists of \$2,000 times the number of probationary teachers in the district plus \$500 times the number of nonparticipating teachers. The plan provides induction and mentoring activities for peer review and assessment during the school year. In addition, districts are provided with \$750 times the number of other non-probationary teachers. Under the House plan the school board and the exclusive bargaining representative of the teachers must sign and submit a written statement to the CFL commissioner that indicates the district has developed an alternative teacher compensation plan based on the system accountability and educational improvement plan.

Sen. Steve Kelley (DFL-Hopkins) disagreed with the plan and said, "Adequately funding schools to prevent teacher layoffs is the biggest thing we can do to retain teachers." Sen. Martha Robertson (R-Minnetonka) said the program should be defined in terms of what a good induction mentoring program is, not by the amount of time dedicated to the program. Sen. Sandra Pappas (DFL-St. Paul) said the House language is confusing and the provision ties district and site accountability to teacher incentives.

Rep. Harry Mares (R-White Bear Lake) said the bottom line of the proposal is student achievement and the key ingredient to student success is the teacher. "I don't think we pay teachers enough for the role they play, but this provision is a small cooperative step to retain the best and brightest teachers and attain student achievement."

"We have to send a clear message to attract the best and brightest by providing teacher salaries that are competitive with the market place and we have to fund it," said Sen. David Tomassoni (DFL-Chisholm).

A representative of the Association of Metropolitan School Districts said the association supports all components of an alternate teacher compensation plan. He said the association agrees with several principles that should be in the plan. Voluntarily negotiating through collective bargaining and having a model that attracts and retains staff is necessary, he

said. He also said a plan that is accessible to everyone with no quotas and adequate sustainable funding is also necessary for the plan to work.

A House provision requiring that school districts be structurally balanced was addressed by Department of Children, Families and Learning Commissioner Christine Jax. She told members the governor would not sign a bill that omitted the structurally balanced provision. She said the provision informs the public of the ramifications of school contract settlements before the impact of the settlements are realized. Measures can then be taken to prioritize needs. "The provision provides a working document that gives taxpayers information and allows them to weigh in, yet it does not hold down teacher salaries," said Jax.

Stumpf asked if a contract is considered valid, under the provision, if it is not structurally balanced. Jax said it is not. Ness asked if there are penalties incurred by districts without a structurally balanced budget. Jax said the administration considers the provision a good faith effort and no penalties have been considered.

Ness asked at what point a district, that is currently in statutory operating debt, is considered to be structurally balanced. Rose Hermodson, from CFL, said there is a five year plan and districts have to provide evidence that they are emerging from debt.

Stumpf said the provision intertwines the collective bargaining and contract components when they are two separate issues. Seagren said it was done to put teeth in the provision. Stumpf said, "If you incorporate contracts and collective bargaining, it is a dangerous path." He said, "We are either interested in attracting the best and brightest or holding down teachers' salaries—we can't do both."

The last provision discussed by members was the value added program. The program provides added assessments to determine student achievement levels in an effort to tie student performance with services delivered by schools, teachers and districts. The purpose of the program, said Seagren, is to provide help to schools that have students below the desired level of achievement.

Seagren said the value-added program measures individual progress in a fair way. Kelley disagreed and said, "Value added ignores the student's role as a procurer of his or her learning."

Members also discussed same and similar House language regarding general education, education excellence and special education.

## Taxes

### Discussion restarts

On the first day after the regular session ended, Tues., May 22, members of the joint working group on taxes met to discuss the omnibus tax bill. Chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Ron Abrams (R-Minnetonka), the group discussed each body's philosophy about tax reform and tax relief while considering a Senate proposal that incorporated most of the Senate's philosophy.

Pogemiller said he believes the two bodies are in substantial agreement on reform and that the differences are truly a question of degree. The Senate, he said, wants to engage in a takeover of general education costs, but the Senate proposal could not do so because there was no way to pay for it without expanding the sales tax. Pogemiller said class rate compression and simplification make sense, however the Senate is not prepared to go as far as the House and the governor in reducing the class rates for commercial-industrial (CI) property. He said the Senate is willing to reduce CI rates and the rates on non-homestead property as well. The Senate directed most of its property tax relief at homes valued between \$70,000 and \$200,000. There is general agreement on state takeover of county costs, he said, but the Senate thinks that assuming part of the costs of day training makes sense. One major area of disagreement, he said, is the House's approach on rental apartment property. "We do not support 'a house is a house,'" Pogemiller said. The House's approach reduced the class rate on apartments to the same level as the class rate applied to single family houses. Sen. Ann Rest (DFL-New Hope) said, "Mere change is not reform unless there is an underlying principle."

"We believe strongly in 'a house is a house,'" said Abrams. The House also believes that CI compression is important, he said. The Medical Assistance surcharge repeal is a point the House also believes in strongly, he said. Abrams said, "We believe the House bill represents true reform." We want dramatic reform, he said. The House, he said, believes in imposing restraint on

local units of government with levy limits and reverse referendums.

Rep. Dan McElroy (R-Burnsville) said the House is concerned about the transfer of \$415 per pupil to the general education formula. Pogemiller said the provision is a key part of fundamental reform of the state's funding of K-12 education. The \$415 transfer, he said, works hand in hand with the general education funding takeover.

Commenting on recent trends in Greater Minnesota, Rep. Roxann Daggett (R-Frazee) said compressing class rates for CI and apartments will create jobs. There are no jobs in Greater Minnesota, she said, because businesses cannot afford the CI tax rate and cannot find affordable housing for their workers. In turn, communities are losing not only workers but families and students, she said. CI compression, Daggett said, is an incentive to bringing people to rural Minnesota. Sen. Don Samuelson (DFL-Brainerd) said the problem with

reducing the CI class rate is the long-range effects such a policy will have on low and moderate valued homes. The Senate's focus, he said, is on finding a level playing field for all Minnesotans.

Commissioner Matt Smith, Department of Revenue, said he finds it encouraging that both bodies are talking about the same issues. He said the classification system seems to be the biggest hangup between the three parties—the Senate, House and governor. Smith said business' share of the property tax is among the highest in the nation. The state needs to find a way to bring that share down, he said. This is not a debate about increasing someone's taxes to lower someone else's taxes, Smith said. In the context of abundant tax relief, he said, what is the distribution of the relief going to be and what changes to the permanent tax structure are going to be accomplished are the issues. Rep. William Kuisle (R-Rochester) said he considers any tax on

businesses to be a hidden tax on consumers. Doesn't the governor support shifting all taxes towards direct, open taxes, he asked. Smith said a good tax is one where the tax prices people pay for goods and services are open to them.

Returning to a discussion of rate compression for apartment property, Pogemiller said he was under no illusion that rate compression will help renters. Rents will not decrease, he said, and affordable apartments will not be built in massive numbers. The 'a house is a house' theory is oversold, Pogemiller said, and the House did not commit any money to helping fund affordable housing in its budget bills. McElroy said he is convinced the market must work. Similar markets across the country have seen the effects of reduced taxes on apartments, he said. McElroy also said that not enough money can ever be put into affordable housing by the state. The only way to really create affordable housing, he said, is to help the



*Despite weariness as a result of Monday's marathon floor sessions and the 2001 Legislative Session having officially adjourned, members of the Tax Conference Committee met Tues., May 23 to continue in their efforts to reach an agreement on the Senate and House omnibus tax bills.*

Photo by David J. Oakes

# Committee update

market. Abrams said the state has tried everything except using market forces to increase the supply of affordable housing. The state is in a nationwide race to acquire capital for new housing projects, he said, but will lose that race if investors are turned off by the high property tax class rates on apartments. Pogemiller said the Senate cut the class rate for apartments by 30 percent. To say a 30 percent reduction isn't enough doesn't fly, he said. McElroy emphasized that landlords do not pay property taxes, renters do. Thus, he said, from a renter's perspective, a home is a home. In the long-run, McElroy said, rents will decrease in the market.

Rest said the Senate is suspicious of the rate reduction on apartments because renters will not directly receive the benefit. Ideally, we'd like renters to see and pay the tax, she said. Pogemiller said he rejects the national market for capital argument because developers will build where there are bodies to fill the rental units. Abrams said the demand for housing is only one factor that must be considered. A lot of areas have a high demand for housing, but there is a limited supply of capital, he said. The capital will go where there is a better profit margin and thus lower costs, including taxation, Abrams said. Pogemiller said the renter's credit gives the state and renters better bang for their buck.

Pogemiller also said 'a house is a house' doesn't work for expensive single family homes, either. At some level, he said, a house isn't a house, it's a statement. Abrams challenged Pogemiller's statement, asking if Pogemiller intended to craft tax policy based on economic envy. "I don't think a house is a house when my mother's house fits in someone else's garage," Pogemiller said.

Addressing the lack of levy limits in the Senate proposal, Kuisle said the Senate does not address keeping property taxes down in any way. "We might as well write the local units of government a check," he said. At least the House plan, he said, guarantees that homeowners will see tax relief for two years. Kuisle said the proposal to shift out-of-home placement costs to the state does not represent reform but is just more state spending. Pogemiller said that both plans must concede that property taxes will go up again in a number of years. He objected to levy limits, saying, "You don't help people on the low end by holding down the top."

## Tax discussion continues

Members of the working group on the tax bill continued to meet Weds., May 23, when discussion and clarification continued on a variety of issues raised the day before. Members also began adopting a number of provisions that are non-controversial or are the same in both bills. Sen. Lawrence Pogemiller (DFL-Mpls.) chaired.

Dan Salomone of the Minnesota Taxpayers Association presented testimony on the influence property taxes have on home ownership. He said data show that a state's rate of tax classification does not correlate strongly to rates of home ownership. Pointing to data from a variety of states, he said that, among states with the highest levels of home ownership, Minnesota is the only one that has a high tax classification.

Other testimony was given relative to the percentage of residential properties that fall under the \$200,000 threshold of the Senate proposal. A representative of the Auditor's Office said that 74 percent of all property in Hennepin County falls below the threshold, with 84 percent falling below in the city of Minneapolis. He added that, based on current assessments, over 1,300 residences in the County are valued at \$1 million or more. Pogemiller said the number has more than doubled in the last two years.

Staff members from the House and Senate spoke on a difference in the sets of numbers prepared by both bodies to clarify Pogemiller's assertion that the House bill shrinks the commercial-industrial property share from 30 percent to 24 percent. Staff said the percentages differ depending on the extent to which tax credits and a statewide assessment are factored in. Rep. Ron Abrams (R-Minnetonka) said the property tax reform proposal needs to be considered in light of the overall package. Sen. Ann Rest (DFL-New Hope) said she is not interested in reform that jeopardizes state universities and local school districts.

On the issue of accountability, Pogemiller said he does not accept the argument that a shift in property tax burden to homeowners will make the decisions about property taxes more accountable. He said the shift might instead create a challenge for local funding issues such as fire departments. Pogemiller also suggested that local government aid (LGA) has been unduly suppressed. Abrams said LGA has in-

creased faster than the rate of inflation, and said it is too often used for non-essential government services. As an example, he pointed to an issue of the Minnesota Monitor as a "piece of trash being funded with property tax dollars." Sen. Don Samuelson (DFL-Brainerd) said that the paper uses available resources to convey political opinions and information in the same way that private lobbyist groups do.

After a noon recess, Rest began moving the adoption of a variety of provisions. Members adopted sales tax exemptions for ambulance services and the inclusion of maple syrup as an agricultural product for purposes of taxing property. A provision allowing levies for the operating costs of a school swimming pool was also adopted. Members adopted matching language on electronic filing of tax payments, but postponed discussion of related provisions that differ in the two bills. A number of local development provisions addressed in both bills were also adopted. Regarding special taxes, the panel adopted House language repealing a lawful gambling report and concurrent language requiring quarterly payments of taxes on insurance premiums.

## Tour the Capitol on CD-ROM

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# Floor action

Thursday, May 17

## Bills granted concurrence and repassage

**S.F. 172-Ranum:** Excludes misdemeanor level domestic abuse, harassment offenses and interference with privacy from the definition of juvenile petty offense under Juvenile Court Act delinquency provisions for prosecution purposes. 61-0

## Bills granted final passage on Special Orders

**S.F. 386-Ranum:** Requires the collection and analysis of data, requires the adoption of policies on racial profiling, and provides for grants to local law enforcement agencies participating in the racial profiling study for the installation of video cameras on police vehicles designed to record traffic stops. 46-18

**H.F. 655-Frederickson:** Makes technical and substantive changes to unemployment insurance provisions. 60-0

**H.F. 1310-Johnson, Douglas:** Gives the state building official final authority for interpreting the State Building Code and prescribes its enforcement. 61-0

**H.F. 1406-Kiscaden:** Provides for maternal death studies. 60-0

Friday, May 18

## Bills granted concurrence and repassage

**S.F. 1434-Price:** DNR waters bill. Provides for administrative penalty orders, modifies water appropriation permit provisions, establishes fees and provides for civil penalties. 59-0

**S.F. 1263-Robertson:** Changes the expiration dates of various advisory councils, committees and other multimember entities. 61-0

**S.F. 1680-Robertson:** Dept. of Admin. housekeeping bill. 60-0

**S.F. 321-Kleis:** Provides for a background study before appointment of guardians or conservators, authorizes access to data on substantiated maltreatment of vulnerable adults and provides for background study systems and records in the Dept. of Human Services. 62-0

## Conference committee reports adopted and repassed

**H.F. 873-Kinkel:** Provides for tax-forfeited land conveyances, sales, exchanges and easements. 57-0

**S.F. 1968-Samuelson:** Sets forth certification requirements for crane operators. 60-0

**S.F. 1394-Kiscaden:** Changes child placement provisions. 61-0

**S.F. 1154-Kelley, S.P.:** Extends the expiration date for the Metro Radio Board until 2005. 58-0

**H.F. 1155-Sams:** Regulates action plans of certain health plan companies, requires an affirmative provider consent to participate in a network under a category of coverage, requires disclosure of changes in a provider's contract, and imposes a moratorium on managed care auto insurance plans. 59-0

**H.F. 1153-Lesewski:** Exempts certain building projects from the requirement to employ an architect and provides for a study, a report to the Legislature, and an educational program by the Board of Architects, Engineers, Surveyors, Landscape Architects, Geoscientists, and Interior Designers relating to the design and construction of local government buildings. 36-25

**H.F. 706-Kelly, R.C.:** Classifies Carisoprodol as a controlled substance upon the effective date of a final rule adding Carisoprodol to the federal schedules of controlled substances. 58-0

**H.F. 1507-Langseth:** Clarifies the treatment of legal nonconforming uses for municipal planning and zoning purposes. 55-0

**S.F. 555-Betzold:** Modifies procedures relating to administrative rules. 53-3

## Bills granted final passage on Special Orders

**S.F. 2377-Pogemiller:** Adopts legislative and congressional redistricting plans for use in 2002 and thereafter. 35-28

**S.F. 2208-Pogemiller:** Updates and makes technical changes to public finance provisions related to debt obligations, sales and use tax exemptions, county capital financing of equipment and hardware and software and updates and changes the Minnesota Bond allocation Act. 52-4

**H.F. 634-Kelly, R.C.:** Provides for payment of claims against the state. 59-0

**H.F. 1182-Frederickson:** Modifies requirements for invention developers. 56-0

**H.F. 708-Johnson, Dean:** Clarifies exemption from registration taxes for certain well drilling machines, pump hoists and other equipment and requires safety inspection of special mobile equipment that is mounted on a commercial motor vehicle chassis. 57-0

**H.F. 2028-Higgins:** Modifies provisions relating to environmental audits and changes the reporting date for the Pollution Control Agency's annual performance report. 56-0

**H.F. 1973-Terwilliger:** Regulates state highways in municipalities. 57-0

## Bills granted final passage under a suspension of rules.

**H.F. 2514-Murphy:** Expands the emergency authority of the Board of Animal Health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state. 61-0

Saturday, May 19

## Conference committee reports adopted and repassed

**S.F. 1215-Cohen:** Department of Human Rights housekeeping provisions. 61-0

**H.F. 2107-Neuville:** Specifies student conduct as grounds for dismissal from class. 58-0

**H.F. 2036-Murphy:** Permits Goohue County to appoint an auditor-treasurer. 55-3

**H.F. 1487-Lessard:** Modifies provisions rendered obsolete by the electronic licensing and makes other technical changes relating to the Dept. of Natural Resources. 61-0

**S.F. 1561-Hottinger:** Revises Uniform Commercial Code Article 9. 61-0

## Bills granted final passage on Special Orders

**S.F. 829-Murphy:** Modifies the filing fees for vehicle transactions and makes clarifying changes. 36-21

**H.F. 1497-Moe, R.D.:** Modifies terms for certain lakeshore land exchanges to include leased farmed wild rice lands, authorizes public and private sales of state lands in Lake County, authorizes conveyance of surplus state land in Mower County, authorizes conveyance of consolidated conservation land in Aitkin County, adds to state forest and adds to and creates wildlife management areas. 58-0

**H.F. 1340-Ourada:** Permits the appointment of the Wright County recorder. 51-7

**H.F. 1541-Sabo:** Requires a study of rental application fees. 52-7

**H.F. 1941-Johnson, David:** Clarifies provisions in the job skills partnership program. 57-2

**S.F. 1202-Kelly, R.C.:** Retroactively repeals a provision of the predatory offender registration law and specifies the legislative intent in so doing. 59-0

**H.F. 1892-Chaudhary:** Makes technical changes to Dept. of Human Rights provisions. 54-0

# Floor action

## Bills granted final passage under suspension of Rules

**H.F. 1569-Rest:** Reclassifies certain Minnesota State Colleges and Universities positions as classified. 39-22

## Confirmations

Jeffrey Olson as commissioner of the Dept. of Veterans Affairs.

Thomas Mullon to the Minnesota Veterans Homes Board of Directors  
Ann Nistler to the Minnesota Veterans Homes Board of Directors

Lawrence Gorrell to the Board of the Arts

Russell Sharon to the Board of the Arts

George Sutton to the Board of the Arts

Julien Clark Carter as commissioner of the Dept. of Employee Relations

Thomas Barrett as executive director of the Gambling Control Board

Frank Hornstein to the Metropolitan Council

James Bernstein as commissioner of the Dept. of Public Service and the Dept. of Commerce

John Baerg to the Emergency Medical Services Regulatory Board

Teresa Gisch to the Emergency Medical Services Regulatory Board

Michael Guthrie to the Emergency Medical Services Regulatory Board

Daniel Hankins to the Emergency Medical Services Regulatory Board

Jeffrey Schiff to the Emergency Medical Services Regulatory Board

Bruce Sherman to the Emergency Medical Services Regulatory Board

Cyndy Brucato to the Board on Judicial Standards

Patrick Thiry to the Minnesota Rural Finance Authority

William Thyne to the Minnesota Rural Finance Authority

Gordon Baden to the Minnesota Veterans Homes Board of Directors

MaryLu Brunner to the Minnesota Veterans Homes Board of Directors

Violet Wagoner to the Minnesota Veterans Homes Board of Directors

Gary Leff to the Board of Animal Health

Robert Anderson to the Emergency Medical Services Regulatory Board

Steve Haavisto to the Emergency Medical Services Regulatory Board

Martin Scheerer to the Emergency Medical Services Regulatory Board

Linda Way to the Emergency Medical Services Regulatory Board

Marge Anderson to the Minnesota Housing Finance Agency

Marina Lyon to the Minnesota Housing Finance Agency

Miriam Rykken to the Workers' Compensation Court of Appeals

Lee Himle to the Minnesota Housing Finance Agency

Rebecca Yanisch as commissioner of the Dept. of Trade and Economic Development

## Monday, May 21

### Bills granted concurrence and repassage

**S.F. 969-Chaudhary:** Extends the attorney general's and county attorney's authority for administrative subpoenas, enables peace officers to execute search warrants on foreign corporations doing business in Minnesota to search for electronic evidence and enhances penalties for dissemination and possession of pornographic work involving minors. 55-0

**S.F. 1367-Lourey:** Provides for signatures from both affected areas on a petition to change county boundaries, provides for a special election to fill vacancies or add members to a county board after the change of county boundaries and provides a new standard of market value for new counties. 62-0

**S.F. 1344-Higgins:** Regulates payment of wages and prohibits an employer or a person, firm, corporation, or association from altering the method of payment, timing of payment, or procedures for payment of commissions earned through the last day of employment after the employee has resigned or been terminated. 62-1

**S.F. 1965-Anderson:** Repeals obsolete and redundant Dept. of Trade and Economic Development programs and duties and allows Metropolitan Area nonprofit development organizations to be eligible for contamination cleanup grants and metropolitan livable communities fund money. 64-0

### Conference committee reports adopted and repassed

**S.F. 1752-Solon:** Omnibus liquor bill. Authorizing on-sale liquor licenses for various locations. 49-8

**S.F. 491-Berglin:** Provides patient protections. 62-0

**S.F. 1464-Lourey:** Dept. of Health housekeeping measure that modifies provisions for lead poisoning prevention and prohibits pay toilets. 56-1

**S.F. 103-Larson:** Changes civil penalties for issuing checks that are dishonored and provides civil remedies for receiving motor fuel from a motor fuel retail business without paying. 51-14

**S.F. 1407-Ring:** Dept. of Human Services technical bill. 61-0

**S.F. 1541-Oliver:** Regulates currency exchanges, real estate brokers, real property appraisers, subdivided land sales licenses, residential contractors, notaries public, and collection agencies, modifies continuing education requirements and regulates fees, costs, duties, rights and penalties. 60-0

**S.F. 229-Ranum:** Requires that crime victims be notified of expungement proceedings and allowed to submit a statement. 60-0

**S.F. 1068-Betzold:** Omnibus data practices bill. 60-0

**S.F. 722-Metzen:** Omnibus energy bill. 64-0

**S.F. 1495-Murphy:** Omnibus agriculture bill. 42-24

**H.F. 1310-Johnson, Douglas:** Gives the state building official final authority in state building code interpretation. 59-1

**H.F. 1261-Chaudhary:** Omnibus Dept. of Corrections policy bill. 56-0

**H.F. 1406-Kiscaden:** Provides for a maternal mortality reviews. 56-0

**S.F. 1769-Ourada:** Dept. of Transportation housekeeping provisions. 57-0

**S.F. 2208-Pogemiller:** Updates and making technical changes to public finance provisions. 60-2

**H.F. 1541-Sabo:** Requires a study of rental applications fees. 56-0

**H.F. 1515-Lourey:** Omnibus early childhood and family education. 47-18

**S.F. 1507-Knutson:** State procurement provisions and ratifies MnSCU employee agreements. 62-0

### Bills granted final passage on Special Orders

**S.F. 1644-Kelly, R.C.:** A resolution memorializing the President Congress to promptly provide aid to the victims of the January 26 earthquake in India. 57-0

**S.F. 2249-Betzold:** Revisor's bill that corrects miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors. 64-0

**S.F. 1312-Johnson, Douglas:** Directs the Office of Strategic and Long-range Planning and the Dept. of Administration to recommend ways to decentralize state agencies and departments. 42-14

**S.F. 1054-Scheid:** Omnibus insurance provisions. 51-0

**S.F. 2328-Kelly, R.C.:** A resolution urging the United States Congress to amend the Railroad Unemployment Insurance Act. 52-0

**S.F. 793-Tomassoni:** Extends the deadline for repayment obligations for certain solid waste transfer station projects. 58-1

### Veto overrides

**S.F. 2031-Knutson:** Voids and makes unenforceable clauses in public works contracts waiving, releasing or extinguishing the rights of contractors to seek recovery of costs or damages or to seek equitable adjustments for delays, disruptions or acceleration in performing the contract caused by acts of the legally responsible public entity and defines public works contract. 63-1

**S.F. 1821-Murphy:** Modifies provisions regulating utility facilities in railroad rights-of-way. 62-2



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