MINNESOTA HOUSE OF REPRESENTATIVES
PUBLIC INFORMATION OFFICE

New Laws Effective July 1, 1998

Editor's note: *The following is a listing of selected new laws which become effective July 1, 1998. These are laws passed during the 1998 Legislative Session and the 1998 Special Session. A complete summary of all laws passed by the 1998 Legislature will be available soon from the House Public Information Office. Ask for "New Laws 1998."*

CONSUMERS

Home mortgage services

Effective July 1, 1998, a new law establishes state licensing and regulation for companies that perform residential mortgage services in Minnesota.

Shopping for a home mortgage can be risky and confusing. Consumers often assume they are dealing with a bank, whose activities are heavily regulated, when in fact, their lender or broker may be an unknown player in the residential mortgage industry.

Should anything go wrong during the process, the consumer is left without any recourse except, perhaps, an appeal to the attorney general's office.

Under the law, most residential mortgage brokers and lenders must be licensed by the Department of Commerce by Aug. 1, 1999.

Rep. Jim Tunheim (DFL-Kennedy) and Sen. Linda Scheid (DFL-Brooklyn Park) sponsored the measure.

HF2983/SF2966*/CH343

EDUCATION

K-12 education finance

Key provisions of a new $124 million K-12 education finance law are effective July 1, 1998.

The state's Profile of Learning is here to stay, but districts will have the option of phasing in the new requirements over a three-year period, under the education finance measure.

Also, the state will provide funds for new boarding schools, all-day kindergarten, and scholarships for American Indians.

Rep. Becky Kelso (DFL-Shakopee) and Sen. Lawrence Pogemiller (DFL-Mpls) sponsored the legislation.

HF2874*/SF3378/CH398

Graduation Standards

The bulk of the new law's spending $70 million of the total $124 million will go to help districts implement the Profile of Learning, a portion of the state's Graduation Standards initiative that will measure student achievement on a broad range of skills.

The Profile of Learning, which stresses more workaday skills and hands-on projects, had been set to kick in with the 1998-1999 school year.

But under the new law, districts will be able to choose to begin the new state-mandated curriculum then or to introduce it in phases over the following two years. By the 2001-2002 school year, all districts must have fully implemented the standards.

The law also provides graduated funding according to when districts begin teaching under the new system. All districts will receive $52 per student in new Graduation Standards implementation funding for the fiscal year beginning July 1, 1998, and those that fully implement the Profile of Learning that year will receive an additional $14 per student.

A portion of that money must go directly to schools for staff development, another part must be reserved for developing gifted and talented programs under the new graduation requirements, and the remainder must be used for technology development or class-size reduction.

Special education

The state's special education system will see several changes, under the new law.

A 1997 report of the legislative auditor showed that special education costs in Minnesota were spiraling, and Kelso said getting those costs under control was a high priority for her in the 1998 session.

Effective July 1, 1998, a provision of the new law requires the state to reimburse districts for certain administrative and legal costs incurred when schools attempt to deny parents' requests for what the schools perceive as unnecessary special education services. The theory is that districts often provide unnecessary, costly services because they are afraid of the potential cost of lawsuits by parents asking for services.

But to be eligible for reimbursement of attorney fees incurred as part of a due process hearing, districts will first have to make a "good faith effort" to resolve the dispute through mediation.

Boarding schools

A project that Gov. Arne Carlson called one of his top priorities this year establishing residential boarding academies for at-risk youth also receives funding under the omnibus education measure.

The law provides $12 million for the fiscal year beginning July 1, 1998, to help build three year-round schools.

The academies will be geared for students in grades four through 12 who are unsuccessfully bounced between foster families or those whose parents feel a residential environment would help get their child on the right track. Enrollment will be conditional upon the students' voluntary desire to attend.

All-day kindergarten

More Minnesota five-year-olds will spend more time at school.

The new law provides an additional $1.5 million for the year beginning July 1, 1998, for certain schools to begin or continue all-day kindergarten programs.

The new funds bring next year's allowance for the first-grade preparedness program, initiated in 1996, up to $6.5 million. Kindergarten is still optional in Minnesota, but several recent reports have shown that attending all-day programs dramatically increases children's academic and social skills.

Loophole closed

A murky area of state statute under which some districts may have been able to substitute their own achievement tests for state-mandated tests is clarified under new law.

Effective July 1, 1998, all districts are required to use the same tests to assess students' basic skills in reading, writing, and math. Diagnostic tests will be administered to all students in grades three, five, and eight as part of the new Graduation Standards initiative.

Summer school

Students will have another incentive to perform well academically, as districts will be able to require certain students to attend summer school.

Effective July 1, 1998, districts have the authority to set their own criteria for determining who will be required to attend summer programs. The measure is intended to help districts improve performances on the state-mandated basic skills tests.

American Indian Scholarships

Three programs American Indian Scholarships, American Indian Postsecondary Preparation Grants, and American Indian Language and Culture Programs receive $525,000 in combined new funding for the fiscal year beginning July 1, 1998.

All three programs are aimed at increasing high school graduation rates and college attendance rates for members of Minnesota's 11 federally recognized tribes.

None of the three programs has seen a funding increase in 10 years, which Kelso said is out of sync with increases to scholarship funds for other minorities.

GOVERNMENT

State government finance

Some provisions of a new $33 million state government finance package are effective July 1, 1998.

The new law provides funding for the attorney general's office, although Carlson used his line-item veto authority to pare about $1 million from the office's proposed 1999 budget.

The legislation was sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. Leonard Price (DFL-Woodbury).

HF3137/SF3354*/CH366

Attorney general's budget

The Office of the Attorney General receives $23 million for general operating expenses for the fiscal year beginning July 1, 1998.

The $1.1 million that Carlson line-item vetoed would have funded a program to educate senior citizens about telemarketing fraud, legal assistance to state agencies and counties, and gaming enforcement.

The office is still directed to set up an outreach program to help educate people about telemarketing fraud by January 1999, even though the proposed $100,000 in funding for the project was vetoed. In fact, that's how the provision with no money was originally approved by the House.

The attorney general's budget was in question because last year Carlson line-item vetoed the office's entire proposed 1999 funding about $24 million citing what he called unnecessary and excessive growth in the legal and law enforcement agency.

This year's law also calls for a task force to study the availability, effectiveness, and cost of legal services provided by the office.

Lottery changes

The law also gives $750,000 from the Minnesota lottery prize fund to support Project Turnabout, a compulsive-gambling treatment center in Granite Falls, Minn.

But it specifies that, apart from this appropriation and ones approved in 1997, no more than $340,000 may be used from that fund to support similar treatment or education programs in fiscal year 1999, which begins July 1, 1998.

Effective July 1, 1998, the Minnesota State Lottery is required to increase retailer commissions by 0.5 percent and ensure that each retailer receives at least 1 percent of the amount of each winning ticket sold at that location.

They are also allowed to pay a bonus to lottery retailers of up to 10 percent of a potential increase in lottery sales from one year to the next, and to increase the percent of revenue with which they can fund lottery expenses.

Omnibus pension law

Minnesota judges get a small raise in order to contribute to more of their retirement plan costs, under a new omnibus pension law.

"Currently, judges are paying a much smaller part of the cost of their retirement plan than [other state employees]," said Rep. Phyllis Kahn (DFL-Mpls), who sponsored the legislation in the House. "This brings them more in line with others, and it is cost-free to the state."

As of July 1, 1998, judges receive a 1.5 percent raise, but they are required to increase their pension fund contributions by 1.73 percent. The state makes up for paying the higher salaries because its own required contributions to the pension fund go down by 1.5 percent.

The wage hike is necessary because the state constitution prohibits reducing the compensation of a sitting judge. Although judges still take a slight pay cut, they have agreed to the arrangement and have said they will not rule it unconstitutional in court, Kahn said.

"The result is that we will be getting to better judicial pension policy at no cost to the state and at small cost to judges," Kahn said.

Since the salary of certain state executive branch officials is tied to a percentage of judges' salaries, the new law also amends those percentages, effective July 1, 1998, so those officials do not receive pay increases.

The new law also changes the qualifications and filing deadlines for the state's part-time teacher pension program.

Effective July 1, 1998, teachers are allowed to work up to 80 percent of full-time hours and remain eligible for the pension program.

Sen. Steven Morse (DFL-Dakota) sponsored the omnibus pension measure in the Senate.

HF2970*/SF2555/CH390

'Best value' procurement system

A new law allows state agencies to use a new system for purchasing goods and services, under which they no longer must award all contracts to the lowest bidder.

Effective July 1, 1998, the new law allows agencies more flexibility to move to a system known as "best value" for awarding state contracts other than those related to construction.

Under the old procurement system, agencies generally were required to award a contract to the lowest responsible bidder.

Under new law, agencies are allowed to take into account factors other than cost such as past experiences or brand names when purchasing goods or services. Proponents say the new system will increase agencies' flexibility and discretion, which will lead to improved efficiency.

Portions of the construction industry and members of the state bar association were opposed to the change, which resulted in construction projects being exempted from the new law. Those projects will continue to be awarded to the lowest responsible bidder.

Rep. Phyllis Kahn (DFL-Mpls) and Sen. David Knutson (R-Burnsville) sponsored the legislation.

HF384/SF726*/CH386

HIGHER EDUCATION

Higher education funding

A new Minnesota higher education funding law spends $72.5 million the largest supplemental budget increase for higher education in this decade to improve the state's colleges and universities.

Appropriations in the new law target $35.5 million for the University of Minnesota and $36 million for the Minnesota State College and Universities (MnSCU) system.

Another $1 million goes to the Higher Education Services Office to bolster work study programs on the state's college campuses. All of the spending provisions are effective July 1, 1998.

Rep. Gene Pelowski (DFL-Winona) and Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the higher education finance legislation.

Here's a look at some highlights of the new law.

HFnone/SF3297*/CH384

Funding for MnSCU

A total of $20 million helps to enhance base appropriations to campuses by reducing variances in state funding per full-year equivalent student at the 36 MnSCU institutions and acquiring up-to-date instructional equipment.

Differences among campuses in per student funding are due, in part, to differences in enrollment and in types of programs. Large campuses have efficiencies that smaller campuses lack. However, some legislators think the funding variances are too great.

For example, Southwest State University in Marshall, Minn., receives about $2,000 more per student than does Mankato State University.

MnSCU is developing its own allocation model for fiscal year 2000 and beyond. The law directs the system to address the variance in per student funding between institutions and to reduce campus and system reliance on one-time funding in the new model.

The law also provides $10 million to enhance partnerships between MnSCU institutions and business and industry.

The appropriation goes toward efforts to increase the number of students enrolled in internships by providing incentives for businesses to train, place, and retain students. Also, the funding supports efforts to restructure degree and certificate programs so more of them require internships.

The new law also provides $3 million for MnSCU libraries to purchase materials and equipment, with particular emphasis on the regional libraries at the state universities.

Another $3 million included in the law will help universities to redesign teacher education curriculum to ensure that would-be teachers are prepared to work with the state's new K-12 graduation standards and to integrate technology into teaching methods.

University of Minnesota spending

A total of $31.9 million of the new law's $35.5 million for the U of M goes toward improvement of key academic initiatives.

Fields specifically targeted for improvement include programs in digital technology and programs in molecular and cellular biology. The funds are available for hiring faculty, purchasing equipment, or making other improvements.

Both the governor and the university requested $41.5 million in supplemental appropriations for the

U of M.
University President Mark Yudof has focused on investing in the school's molecular and cellular biology programs and other key academic initiatives since he took over as president in 1997.

His goal is to create an institute for molecular and cellular biology with the aim of pushing the school into the top five public universities in biological sciences.

Yudof requested funds from the 1998 Legislature to recruit 11 blue-chip faculty members during the next three years and to provide them with equipment needed for research. The president also intends to hire another 15 junior faculty members by redirecting previous U of M funding.

The law also requires that a portion of the $31.9 million is to go toward agricultural research into problems affecting Minnesota farmers. Those problems include plant diseases that have damaged wheat and barley crops and respiratory diseases that have hit turkeys on many farms in the state.

A separate provision of the new law provides an additional $3.6 million for agricultural research and outreach programs.

HUMAN SERVICES

Health, human services finance

New abortion reporting requirements are part of a nearly $58 million health and human services finance law passed in the waning moments of the 1998 session.

The new measure was the subject of a lengthy standoff over abortion-related provisions.

However, the abortion-related measures make up just a small portion of an omnibus law that provides funds for salary increases for nursing home employees, prevention of Fetal Alcohol Syndrome, and state-purchased food stamps for legal non-citizens.

Many key provisions of the new law are effective July 1, 1998.

Rep. Lee Greenfield (DFL-Mpls) and Sen. Don Samuelson (DFL-Brainerd) sponsored the measure.

HF2868/SF3346*/CH407

Abortion reporting

The new law requires that physicians or medical facilities provide the state with information about abortions they perform and that the Department of Health release an annual public report compiling Minnesota abortion statistics. The new requirements are effective July 1, 1998.

Physicians or facilities are required to report a variety of factors related to each abortion procedure. Specifically, each physician must disclose the number of abortions he or she performed within the previous year, the method used for each abortion, the approximate gestational age at the time of the abortion, and the age of each woman who has an abortion.

Also, physicians are asked to supply the woman's specific reason for the abortion. The law lists a range of reasons such as the pregnancy poses a risk to the woman's health, the pregnancy results from rape or incest, or the woman does not want children at the time that could be listed, but the reasons doctors can cite are not limited to those listed in the law.

The new measure also stipulates that the woman need not provide a reason.

The reporting requirements also seek information about the number of previous abortions the woman has had and the method of payment for the abortion. And physicians are required to provide information related to complications stemming from abortion procedures.

The law also establishes reporting requirements for the commissioner of human services. The commis sioner must annually provide information about the number of out-of-state abortions paid for with state funds and the total amount of state funds used to pay for abortions.

The Department of Health must release an annual report beginning in 2000 on abortion in Minnesota. The law mandates that the report protect the identity of doctors who perform abortions and women who undergo abortions.

If the department fails to produce the public report on time or to fulfill one of its enforcement duties, any group of 100 or more citizens can seek a court injunction to force a timely release of the information or to require enforcement action to be taken, under the law.

The law also includes a provision that places a fine on physicians or medical facilities that fail to report on time. After a report is 90 days late, the physician or facility can be fined $500 for each 30-day period the report is overdue.

Fighting Fetal Alcohol Syndrome

The new law includes $5 million to prevent Fetal Alcohol Syndrome, a series of birth defects that can result from alcohol consumption during pregnancy.

Minnesota first lady Susan Carlson co-chaired the Governor's Task Force on Fetal Alcohol Syndrome, which last year estimated the disease costs Minnesota taxpayers at least $45 million annually in health, judicial, and social services expenses.

Also, the Journal of the American Medical Association reports Fetal Alcohol Syndrome is the leading known cause of mental retardation.

The $5 million included in the omnibus funding law matches the governor's request for the program.

Effective July 1, 1998, the health department is to design and implement a statewide program to raise public awareness about Fetal Alcohol Syndrome. A total of $800,000 is appropriated for the public awareness campaign.

Another $400,000 is to be used to develop a statewide network of regional Fetal Alcohol Syndrome diagnostic clinics, and $150,000 is to help train health care providers and others to deal with the problem.

The law also provides $350,000 to fund the creation of a fetal alcohol coordination board, which will review and coordinate existing state programs and integrate state and local prevention and intervention programs.

A total of $850,000 is marked for a Fetal Alcohol Syndrome community grant program, under the law. The commissioner of health is to administer the program, which will finance work by community organizations on prevention and intervention.

Another $850,000 goes to the Department of Human Services to expand treatment services for women who abuse alcohol during pregnancy.

Care provider pay hikes

Effective July 1, 1998, several new provisions grant a total of $20 million for wage hikes for workers at long-term care facilities, including nursing homes and facilities for people with developmental disabilities, and other providers of human services.

The law devotes $8.4 million to give nursing home employees a 3 percent raise. The money is earmarked to increase per diem payments to long-term care facilities, which means pay increases for some 40,000 nursing home employees.

The state funding triggers federal matching funds and additional private pay revenue so that an estimated total of more than $25 million is generated for nursing home salary increases.

The nursing home spending is part of an effort to stabilize the workforce at nursing facilities. Low wages among most nursing home employees, coupled with bountiful job opportunities in other fields in the current booming economy, have made it difficult for nursing homes to attract and retain workers.

The state pays nursing homes a per diem for each resident based on location, property costs and taxes, patient care needs as determined by the case mix system, and other operating costs.

Under the law, per diem payments increase by 3 percent to pay nursing home workers. Management fees, administrators' salaries, and central office salaries are excluded from the increase.

The law also provides a total of $11.6 million for similar 3 percent salary increases for a range of other care providers, including personal care workers, waivered service providers, various therapy providers, and staff members at intermediate care facilities for people with mental retardation and related conditions.

Helping legal immigrants

Effective July 1, 1998, new provisions provide funds to help the thousands of legal immigrants in the state who are not eligible for the federal food stamp program. About $5.4 million is marked to provide food stamps for legal noncitizens.

The funds are for a one-year, state-funded program for legal non-citizens who, if not for their citizenship status, would otherwise be eligible for federal food stamp benefits.

The program is to provide food assistance to legal non-citizens who are not on Minnesota Family Investment Plan-Statewide (MFIP-S), which allows families to accept lower-paying jobs and to continue receiving some state aid while working toward the goal of getting off public assistance.

The federal Welfare Reform Act of 1996 made non-citizens ineligible for the federally funded food stamp program, but the federal 1997 Emergency Supplemental Appropriations Act gives states the option to purchase food stamp benefits with state dollars for those who are ineligible because they are not citizens.

That option requires states to pay for the value of the food stamp benefits, plus the federal government's cost for providing the option.

Counties are required to use the same income, budgeting, and benefit allotment regulations for the state's new Minnesota Food Assistance Program as for the federal food stamp program.

Another nearly $3.8 million in the new law helps extend the food supplement to legal non-citizen families on MFIP-S, which is the state's main welfare reform initiative.

A cash benefit equal to $63 a month, which was designated to replace the value of the food stamps lost when non-citizens became ineligible for the federal food stamp program, was scheduled to end June 30, 1998. The new law extends the benefit for another year and also makes legal non-citizen families who are on MFIPS eligible for this benefit, regardless of whether they were state residents as of July 1, 1997, as previous law stipulated.

Medical education

The new law devotes an additional $10 million to medical education and research during fiscal year 1999.

Effective July 1, 1998, the money goes into a trust fund which is used to make available grants to train medical practitioners and to support research projects.

The new law also makes some changes to the way the state's medical training and education trust fund is managed and its eligibility requirements. One of the changes makes doctors of chiropractic medicine eligible for medical education grants, after evaluation by the commissioner of health and the medical education and research costs advisory group and approval by the Legislative Commission on Health Care Access.

Another provision requires the health department to conduct a study of the way the medical education and training fund is managed and the way grants are distributed. The results of that study must be returned to the Legislature by Dec. 15, 1998.

Food safety

There is also $2.5 million included in the new law for a Department of Health food safety initiative.

The money is targeted at state efforts to improve food safety and to protect against food-borne illness.

Increasingly, fruits and vegetable are imported, and roughly half of food dollars are spent eating in restaurants, where food can be improperly handled or stored.

Dr. Michael Osterholm, state epidemiologist for the Minnesota Department of Health, told legislators during the 1998 session that the supposed 6,000 to 8,000 annual deaths connected with contaminated food are underestimated.

Osterholm also has said that at certain times of the year nearly 100 percent of fresh fruits and vegetables available in Minnesota are grown in developing nations. He has said if that produce were purchased by Americans abroad, they would be advised to boil and peel it before eating. But at home, those precautions are not followed.

Effective July 1, 1998, the money is available as part of the department's supplemental budget.

Consumer health assistance

If you have complaints or concerns about the care you receive under your current health plan, where do you turn? Minnesota health plan companies and health care professionals are governed by more than 20 boards and oversight bodies.

Effective July 1, 1998, people confused or unhappy about their health plan have a one-stop place to call, under a $100,000 provision in the new law to establish an office of health care consumer assistance, advocacy, and information.

Preceding this provision was a 1997 law, the Patient Protection Act, which aimed to prevent health plan companies from interfering with the medical professional-patient relationship, and to provide patients with accurate information about their health plan and health plan companies.

The 1998 measure stipulates that the office will have no regulatory power, but it will have a broad range of duties. It will assist consumers who have complaints or questions about their health plans or health care provider. It also will help them understand their legal rights and how to get appropriate health care referrals.

This office will be part of the Department of Health. The state commissioner of health is to appoint an executive director, and the organization is to have at least nine consumer advocates to perform the duties of the office.

Fighting cancer in women

The new law provides $1.25 million to improve screening and diagnostic services for breast cancer and other forms of the disease that commonly affect women. This money replaces recent cuts in federal funding for this program.

The money is specifically targeted to help "underserved" women those often cut off from affordable medical treatment and to improve screening rates among all women.

Effective July 1, 1998, a total of $855,000 in grant funding is available to assist local boards of health in providing outreach and in reimbursing health care providers for screening and medical testing.

Another $400,000 is for technical assistance and outreach at the state level.

Stopping STDs

Effective July 1, 1998, a total of $300,000 is devoted to efforts to treat and prevent the spread of sexually transmitted diseases.

Of that amount, $100,000 is to conduct a statewide study assessing the prevalence of STDs and to plan a strategy for treatment and prevention. Another $150,000 is for the health department to conduct research perhaps in conjunction with the University of Minnesota and nonprofit clinics on the spread of STDs among high-risk populations. And $50,000 is available to conduct screenings for STDs at no cost to patients who participate in research projects.

INDUSTRY

Protecting telephone customers

A new law aims to provide additional protection to Minnesota telephone customers from unauthorized switching of long-distance telephone carriers.

"While most long-distance providers conduct their business in an ethical, above-board fashion, there are some that unfortunately do not," Gov. Arne Carlson said in a news release. "In signing this legislation, we are now able to give Minnesotans protection from unscrupulous carriers."

Existing law forbids the providers from the practice of "slamming," or switching customers without their authorization. The new law adds protection against slamming, including tape recording or oral authorizations.

The long-distance providers must be able to provide proof that a customer authorized a change in carriers upon complaint of the customer. If the provider is unable to produce a written statement or a tape recording indicating the customer authorized the change, the carrier must pay the cost of returning the customer to the original service and the cost of any of the customer's long-distance calls during the unauthorized period.

The new measure, effective July 1, 1998, also requires long-distance providers to give price information on specific calling patterns to consumers.

Long-distance companies also must provide upon request or when soliciting customers information on the price range of services, minimum volume requirements, termination charges, and other fees.

Rep. Loren Jennings (DFL-Harris) and Sen. Steven Novak (DFL-New Brighton) sponsored the legislation.

HF3042*/SF2797/CH345

TAXES

Omnibus tax law

Several provisions of the 1998 omnibus tax law are effective July 1, 1998. The provisions are related to the state's budget reserves, taxes on public entities, and taxes on manufactured home sales.

Rep. Dee Long (DFL-Mpls) and Sen. Douglas Johnson (DFL-Tower) sponsored the legislation.

HF3840*/SF2985/CH389

Budget reserves

The state's budget reserve will be brought to $622 million, and a tax reform and reduction account is established.

The governor is to make suggestions to the Legislature on the tax reform and reduction account's use.

After the $622 million in reserve, $200 million of surplus funds must be put in the tax reform and reduction account for tax reductions. The next $400 million of a future surplus must be used to help pay for capital projects in the 1998 bonding law, which spends a record amount on state building projects.

These provisions are effective July 1, 1998.

Taxes on public entities

The law makes some changes effective July 1, 1998, in taxes assessed against governmental units.

The sales tax exemption enjoyed by schools is expanded to include special schools owned by a political subdivision. The change is for Long Lake Conservation Center, an environmental learning center in Aitkin County that is owned by a metropolitan-area school district.

The law also expands an existing sales tax exemption for some library purchases to cover all purchases by municipal and school libraries.

Purchases of gravel and equipment by townships exclusively for road maintenance are also exempt from sales tax.

Manufactured home sales

The base used to calculate the sales tax for a manufactured home, commonly known as a mobile home, will change from 65 percent of the sales price to 65 percent of the dealer's cost of the home.

Currently, the base for calculating the tax depends on whether the dealer acts as the builder. Under the new law, the tax will always be calculated based on the dealer's cost. The change is effective July 1, 1998.

Gambling taxes

The law makes several changes to the tax on lawful gambling.

The $12 million exemption from pari-mutuel tax will not end June 30, 1999, as originally planned. Also, pari-mutuel license holders don't have to return the value of unredeemed tickets after Jan. 1, 2000.

The tax rate on lawful gambling operations, which applies to gross receipts less prizes paid, is cut by 5 percent effective July 1, 1998.

TRANSPORTATION

Transportation funding

Gov. Arne Carlson received many of the extra state troopers he had wanted for two years when he signed a $51 million omnibus transportation plan into law.

The new law also allows the Department of Transportation to spend up to $40 million on new highway projects. And the law creates a task force designed to catch Minnesota residents who illegally register their vehicles in neighboring states.

Rep. Bernie Lieder (DFL-Crookston) and Sen. Janet Johnson (DFL-North Branch) sponsored the

legislation.

Here is a look at major provisions of the new law. All of the provisions detailed below are effective

July 1, 1998.
HF3057/SF3298*/CH372

State troopers

The governor had originally requested 47 additional state troopers and support staff at a cost of $5.25 million. In 1996, the governor sought funds to hire an additional 46 state troopers, but the Legislature approved only enough funding for four state patrol dispatchers.

Under the new law, there will be $2.7 million in funding for 29 new state troopers, and there is $200,000 for additional state patrol helicopter flight time.

Legislators were told helicopter patrols, which are currently used only on Friday and Saturday nights, are perhaps the greatest single boost ground patrols receive in law enforcement efforts. The funding allows the patrols to fly during weekday evenings as well.

The state patrol's current complement is 535 troopers, including 37 that are expected to graduate from training soon. The new troopers would increase the allowable force limit to 564.

Highway projects

A total of $40 million is appropriated from the trunk highway fund for highway construction projects in fiscal year 1999.

Another $6.8 million from the trunk fund will be available for design engineering and construction engineering.

Also, the new law stipulates that the town bridge account may be used to pay the cost of abandoning an existing bridge that is deficient but will not be replaced.

The account also will be used to pay to construct a road or street to facilitate the abandonment of a deficient bridge if it is determined the construction of the road or street is more cost-efficient than replacing the existing bridge.

Lake Street planning board

A provision in the new law establishes a 13-member board to help plan and coordinate development of the Lake Street corridor in Minneapolis. The board will have jurisdiction over one-half mile on either side of Lake Street.

The board's purpose will be to concentrate on economic development, transportation, and residential renewal in the area in coordination with local government, businesses, and other neighborhood entities.

If light rail transit becomes a reality in the state, this area is expected to be affected by the Hiawatha Corridor of the transit line.

The members will have a three-year term ending June 30, 2001.

Renovation funds provided

A new transportation law provides $15.8 million from the trunk highway fund to the Department of Administration.

Effective July 1, 1998, the funds go to complete renovation and life safety improvements for the Transportation Building in the Capitol complex.

Rep. Mark Mahon (DFL-Bloomington) and Sen. Dallas Sams (DFL-Staples) sponsored the legislation.

HF2654*/SF2318/CH405

1998 SPECIAL SESSION

Child care, jobs, housing

A new law enacted during the special session contains $12 million in spending for child care, housing, jobs, and economic development.

The governor vetoed an omnibus family and early childhood education bill and an omnibus jobs, housing, and economic development bill passed during the regular 1998 Legislative Session. He cited excessive spending as one reason the bills were vetoed.

The new law includes key portions of the vetoed bills, but the overall spending was scaled back from the earlier proposals.

Rep. Steve Trimble (DFL-St. Paul) and Sen. Tracy Beckman (DFL-Bricelyn) sponsored the measure.

Here's a look at some of the key provisions of the new law. The spending provisions described below are effective July 1, 1998.

1998 Special Session: HF1/SF2*/CH1

Child care and family assistance

Under the new law, Head Start and Early Childhood Family Education programs receive $250,000 for cooperative programming. Head Start is a joint state/federal program that provides low-income preschool children with emotional, social, health, nutritional, and psychological services. The early childhood program focuses on infant development and parents' roles in stimulating and nurturing their infants' intellectual and emotional development.

The new law appropriates $3.3 million for a program that helps low- and moderate-income working families pay for child care using an income-based, sliding-fee scale.

The Basic Sliding Fee program has played a vital role in Minnesota's recent welfare reform initiatives. The new money will ensure that parents who are on a welfare-to-work path continue to receive child care assistance.

A provision effective Aug. 1, 1998, establishes in law a program that allows low-income families to contribute money to a "family asset account" and receive matching dollars from the state and private organizations.

Other states are considering similar programs, and similar legislation is pending in Congress.

Although the new Minnesota law does not set any money aside for the program, proponents say the language puts Minnesota one step ahead of the game, should Congress approve a "family assets for independence" initiative.

Under the state law, eligible families include only those with an income level at or below 200 percent of the federal poverty level (or $26,700 for a family of three) and assets of $25,000 or less.

The new law dictates that matching funds must be kept in a separate account and that families may not get the money until they have finished an economic literacy course and achieved their goals for one of three approved purposes buying a home, paying for an education, or starting a business.

The program is to be administered by the Department of Children, Families and Learning.

The new law also appropriates $100,000 to the Department of Children, Families and Learning for the cleanup of lead-contaminated residential sites around the state. Of that amount, $25,000 is earmarked for the city of St. Louis Park to complete a lead abatement project in a residential neighborhood surrounding an industrial site.

Housing and the homeless

Under the new law, the Minnesota Housing Finance Agency receives $3.6 million to assist in developing new affordable housing, maintaining existing lowincome housing, and preventing homelessness.

The new law allocates $3.3 million to the state's housing agency to be used for current programs that provide interest-deferred loans for construction and rehabilitation of permanent low-income rental housing. The funds can also be used to provide grants or loans to cities and nonprofits for community rehabilitation purposes.

An additional $300,000 goes to the Family Homeless Prevention and Assistance Program, which grants funds to organizations that seek to prevent homelessness. These organizations work to stabilize families in their existing homes, and assist homeless families in securing transitional or permanent housing.

The Department of Children, Families and Learning estimates that there are 21,000 homeless children in Minnesota.

The department will be given $600,000 for its efforts to assist the homeless. Of this amount, the new law appropriates $300,000 for emergency services grants to be used to provide shelter, medical care, and other assistance to homeless individuals. Transitional housing programs receive the remaining $300,000.

The purpose of transitional housing is to give low-income families a temporary place to stay while they get back on their feet financially and resolve any personal issues that may have led to their homelessness.

Boosting employment

Under the new law, the Department of Economic Security receives a total of $2.3 million to fund job training and re-employment programs.

The department also is given $1 million targeted at summer youth employment. And the department will receive $1 million for its rehabilitative services, which provide job training to people with disabilities.

Also included in the department's funding is a $126,000 grant for the organization Advocating Change Together Inc. The organization provides employment training for people with developmental disabilities and other mental health disabilities.

Economic development

The new law allocates $580,000 to the Department of Trade and Economic Development. Of that amount, $500,000 is provided to the Granite Falls Development Authority for the development of a biomass alternative energy project.

The remaining amount goes to the Neighborhood Development Center Inc., an organization that provides services to develop businesses in poorer neighborhoods in Minneapolis and St. Paul.

The measure also provides $155,000 to retire debt on the World Trade Center in downtown St. Paul.