

# Senate Briefly

Page 2 Highlights

Page 3 Committee update

*With the Senate Chamber in the distance, the Capitol comes to life, Mon., Feb. 2, in anticipation of the opening of the 2004 Legislative Session.  
Photo by David J. Oakes*



February 6, 2004

# Senate Highlights

## Senate Session begins

Senators kicked off the second half of the 83rd Legislative Session, Mon., Feb. 2, by selecting a new majority leader and adopting a variety of resolutions to change standing committees and prepare for the work of the session.

Sen. Dean E. Johnson (DFL-Willmar) is the Senate's new majority leader. Johnson welcomed members back to St. Paul and said, "Thank you for the honor and privilege of being Majority Leader." The Senate is the "upper body" for quality ideas and debate Johnson said and added that members thoughts and ideas for the session will be appreciated.

Members also adopted resolutions creating two new committees. The Committee on Elections, chaired by Sen. Charles W. "Chuck" Wiger (DFL-South St. Paul), becomes a full committee after having been a subcommittee of the Rules and Administration Committee. In addition, an Early Childhood Policy and Budget Division, chaired by Sen. John C. Hottinger (DFL-Mankato), was also created. Members also adopted changes to the committee memberships of several other panels.

A brief debate arose over the changing of committee jurisdictions that follows the new committee structure. Sen. Dick Day (R-Owatonna) and Sen. David Knutson (R-Burnsville) both objected to the re-referral of their respective bills to new committees. As a result, the bills—S.F. 576, establishing a "racino" and S.F. 992, requiring uniform penalties for tobacco sales violations—remain in the

Tax Committee and Commerce Committee respectively.

Finally, members adopted routine opening day resolutions relating to postage, interns and the appointment of a committee to escort the governor to the State of the State address Thurs., Feb. 5. President James Metzen (DFL-South St. Paul) named Sen. David Gaither (R-Plymouth), Sen. Linda Higgins (DFL-Mpls.), Sen. Keith Langseth (DFL-Glyndon), Sen. Ann Rest (DFL-New Hope) and Sen. David Senjem (R-Rochester) as members of the escort committee.

## Governor delivers 2nd State of the State Address to Legislators

Legislators gathered to hear a more positive message from Gov. Tim Pawlenty as he delivered his second State of the State address, Thurs., Feb. 5. While the state relieved itself of a \$4.5 billion projected shortfall during the 2003 legislative session, he said, "we still have some deficit to fix now and in the future."

However, most of the governor's remarks focused on four main policy areas: education, jobs, health care and the Minnesota quality of life. Pawlenty said the state needs to be more competitive on taxes, health insurance costs and business regulation. Minnesota, he said, will never be a bargain basement state, but it can be quicker, more clever, more creative and more strategic than its domestic and international competitors. The governor said some limit on state spending, roughly tracked to inflation and population growth, needs to be considered.

In the area of education, Pawlenty challenged Legislators to tackle reform of the education finance system. The governor also reviewed other education proposals, stressed the importance of parental involvement and applauded the "aggressive and innovative approach" taken by Minneapolis Interim Superintendent David Jennings. Pawlenty drew attention to a Citizens League task force aimed at examining the optimal structure of higher education for Minnesota's system.

To grow jobs in Minnesota, the governor said, requires tax reform, investment in the growing field of biosciences and support for the traditional Minnesota industries of mining, timber and livestock. Pawlenty also advanced the

idea of providing low-interest modernization loans to farmers. In addition, he said, Minnesota must reduce the expenses associated with health care. The governor noted that the state was the first in nation to provide a web portal for its citizens to access safe, less expensive prescription medicine from Canada. He also said policy makers should look forward to the recommendations of a health care task force led by former U.S. Sen. Dave Durenberger.

If people are going to move to Minnesota, the governor said, we must convince them of the high quality of life we enjoy. Pawlenty focused on continuing the state's commitment to its natural resources, improving traffic flow and ending chronic homelessness. He also targeted public safety, calling on Legislators to get "Minnesota Tough on criminals" by improving the state's civil commitment and electronic monitoring procedures for sex offenders, by lowering the legal limit on drunk driving and by putting a constitutional amendment permitting the death penalty before Minnesota voters. The governor also proposed historic changes in gambling. Pawlenty said that while he opposes the expansion of gambling in Minnesota, the compacts negotiated with Indian tribes do not reflect current circumstances. "My preference is to keep gaming within its current contours, but we need to explore a better deal for Minnesotans," Pawlenty said.

## Information Services

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes



# Committee update

## Commerce

### Organizational meeting held

Sen. Linda Scheid (DFL-Brooklyn Park) called a brief meeting of the Commerce Committee Wed., Feb. 4, to go over organizational matters with the members. Scheid, who previously chaired the Jobs, Housing and Community Development Committee, is the new chair of Commerce. The former chair, Sen. Ellen Anderson (DFL-St. Paul), is now the chair of the Jobs, Energy and Community Development Committee.

Scheid explained that the committee jurisdictions have also changed somewhat and that bills relating to tobacco issues would no longer originate in the Commerce Committee, but in the Health and Family Security Committee instead. Utility issues, including telecommunications, will now be under the jurisdiction

of the Jobs, Energy and Community Development Committee, she said. In addition, Scheid said that Sen. Dan Sparks (DFL-Austin) will chair a Subcommittee on Consumer Protection, Banking and Insurance and that Sen. Sandra Pappas (DFL-St. Paul) will chair a Subcommittee on Liquor.

## Crime Prevention and Public Safety

### Offender sentencing report presented

Members of the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), began their work for 2004 by receiving a report from the Sentencing Guidelines Commission on drug offender sentencing. The report was required by legislation

passed during the 2003 special session.

Barbara Tombs, executive director of the sentencing commission, reviewed the report for committee members. Among the findings, she noted, was a roughly 20 percent increase in felony convictions from 2001 to 2002. Over the same period, felony drug convictions increased 32 percent and felony non-drug convictions rose only 17 percent. Tombs said the growth in drug offenses was the largest annual increase since sentencing guidelines were adopted. She also reviewed data about the gender and racial distribution of drug offenders, noting that some changes in the distribution are attributable to the greater popularity of methamphetamines among white drug users and the growth in methamphetamine production. Tombs also discussed sentencing practices in other states and departures from the guidelines during sentencing.

The full report is available from the Minnesota Sentencing Guidelines Commission website: [http://www.msgc.state.mn.us/reports\\_to\\_the\\_legislature.htm](http://www.msgc.state.mn.us/reports_to_the_legislature.htm)

### Civil commitment questions answered

Members of the Crime Prevention and Public Safety Committee assembled Wed., Feb. 4, to hear from the Dept. of Corrections on practices in referring sex offenders for civil commitment. Most of the time was devoted to answering questions submitted in advance by panel members, led by Sen. Leo Foley (DFL-Coon Rapids).

Deputy Commissioner Harley Nelson said 2,772 inmates were reviewed for risk level assignment and possible civil commitment from 1997 to 2003. He said 198 cases were forwarded by the Department of Corrections (DOC) to county attorneys during the same period. County attorneys, Nelson said, decided to proceed with civil commitment hearings for 114 of the 198 cases forwarded. He also reviewed the actuarial screening tool used by the department to assess the likelihood that individuals with similar characteristics may commit additional sex offenses after their release.

Steve Huot, formerly of the Dept. of Corrections and now with the Dept. of Human Services, reviewed the process used by the DOC to determine if inmates should be forwarded to county attorneys



Senate President James Metzen (DFL-South St. Paul) shakes Gov. Tim Pawlenty's hand following the governor's State of the State Address in the House of Representatives Chamber, Thurs., Feb. 5, as Speaker of the House Steve Sviggum (R-Kenyon) looks on.

Photo by David J. Oakes



# Committee update

for civil commitment proceedings. Huot said there is no checklist of things determining if civil commitment is the way to go. Each case is different and has differently weighted factors, he said, including what the inmate's post-release plans are, what the inmate's behavior has been like, how the inmate is responding to treatment and if the inmate is making progress dealing with sexual impulses.

"I'm not going to take a chance on having another [Alfonso] Rodriguez," said Commissioner Joan Fabian. After the December 2003 arrest of Rodriguez in connection with the disappearance of Dru Sjodin near Grand Forks, N.D., Fabian set in place interim procedures to refer all level-three sex offenders to county attorneys. She said the department had received feedback that some inmates being referred were not being committed, so the department began comparing cases

to previous cases that had resulted in commitment. Fabian said having an attorney in the department, assigned to civil commitment referrals, would assist the department in determining if the case will meet the legal standard for commitment. Without such in-house counsel, she said, the department's policy will be to continue referring all level-three offenders.

Sen. Dave Kleis (R-St. Cloud) said the policy is the one that makes the most sense. Level-three offenders have been identified as having a high risk of recidivism, he said, and citizens cannot understand why these people are being released into the community.

However, Sen. Wesley Skoglund (DFL-Mpls.) said the state should be careful to have a process that does not infringe on the constitutional rights of offenders.

## Education

### School rating system discussed

Report cards for schools were the starting point for the work of the Education Committee during its first meeting, Tues., Feb. 3. Chaired by Sen. Steve Kelley (DFL-Hopkins), members heard an overview of the five-star school rating system from the Department of Education and critiques of the program from interest groups. The report cards are available from the department's website: <http://education.state.mn.us>

Commissioner Cheri Pierson Yecke and Kathy Wagner, Dept. of Education, reviewed the contents of school report cards and the system used to evaluate schools. The report cards provide a summary of information on schools about academic achievement, academic oppor-



Sen. Gary Kubly (DFL-Granite Falls), second from left, views a display of ingredients used in the manufacture of methamphetamine during "Legislator Awareness Day for Methamphetamine" in the Capitol Rotunda, Wed., Feb. 4. Also pictured is Rep. Dean Urdahl (R-Grove City), far left, with Minneapolis Officer Adam Grobove, center, Martin County Sheriff Brad Gerhardt, second from right, and Martin County Sheriff's Office Investigator Ginger Peterson, far right.

Photo by David J. Oakes



tunities, safety, parent satisfaction, finances, staff characteristics and student enrollment and mobility. Yecke said one of the reasons for developing the report cards was to provide positive accountability information. Since all schools must report adequate yearly progress (AYP) information under the federal No Child Left Behind Act, and the focus of attention will be on schools not making AYP, there is a dearth of positive information about schools, Yecke said. With the report card, the focus is not only on underperforming schools, but also on schools achieving positively for their students, she said.

Jennifer Armstrong, a parent of students in St. Paul schools and president of the St. Paul Network of Education Action Teams, raised several concerns with the report cards. She said the star rating system encourages parents not to look deeper at relevant data. Realtors are also using the ratings to sell houses, Armstrong said, creating a sort of social engineering and promoting the concept of children as commodities. She said the data used in the report cards is available elsewhere and that parents can surely benefit from examining the data. Armstrong said that the data needs to be used differently and in a way that is not punitive to schools for things they cannot control, such as the mobility of their students or the financial situation of families.

"The stars don't give the full story," said Jan Alswager of Education Minnesota. Only a deeper examination of the data is a fair evaluation, she said, and parents can do that on their own. The rating system, however, preempts the evaluation, Alswager said. "What is the purpose of ranking?" she asked. Alswager said the teacher's union recommends that factual data continue to be reported, that summary information be represented graphically, that the report cards include brief narratives, that two categories—celebrations of accomplished improvement and priorities for future improvement—be added and that actual class sizes be reported. However, Education Minnesota suggests eliminating the star system, Alswager said.

Sen. David Hann (R-Eden Prairie) said that while raw data is available to parents, policymakers have a hard time communicating the information to parents with impact. The rating system,

he said, communicates the data efficiently, quickly and in an easily accessible way. "The report card gets us to focus on what we are doing and what we should do," Hann said.

## Teacher licensure options discussed

Alternative methods for teacher licensure were the focus of the Thurs., Feb. 5, meeting of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins). The issue was before the panel, Kelley said, because of the licensure requirements placed on schools by the federal No Child Left Behind Act.

Mary Ann Nelson, assistant commissioner of the Dept. of Education, said Minnesota has a high quality teacher workforce. The No Child Left Behind Act (NCLB), she said, was really meant to raise teacher quality in states lacking Minnesota's high standards. Meeting the requirement to be highly qualified in the subject area they teach will be easy for over 95 percent of the state's teachers, Nelson said. The only problem Minnesota faces, she said, is its waiver or variance system, whereby teachers not normally qualified to teach in a subject area can get temporary approval from the Board of Teaching to provide instruction in the area.

In order to allow teachers working under variances to meet the NCLB standard, Nelson said, the department developed the Highly Objective Uniform State Standard of Evaluation (HOUSSE) process. Teachers are required to provide evidence in any of seven categories—including student achievement on standardized tests, awards and recognition for leadership, teaching experience in the content area, a passing score on the Praxis II content test, advanced credentials, college-level course work in the subject area or professional activities—in using the HOUSSE process to meet the NCLB standard. Nelson said the department and the Board of Teaching are considering an expanded HOUSSE process leading to regular licensure in subject areas. However, Executive Director George Mauer said the Board of Teaching has not made a decision on moving forward with the HOUSSE process.

Kelley questioned the authority of the department in creating the HOUSSE process. He said the Legislature never

authorized the commissioner to establish the program and that the department may have gone around the normal rule-making process as well.

## Elections

### Absentee voting debated

The new Elections Committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), met for the first time Thurs., Feb. 5, to consider three bills.

S.F. 7, sponsored by Sen. John Marty (DFL-Roseville), makes several changes in laws dealing with absentee voting. Marty said the measure is designed to make absentee voting easier. He said the bill had gained the committee's approval last year, but did not pass on the floor. He offered an amendment, which the committee adopted, to streamline the language. He said the bill as amended authorizes any eligible voter to vote by absentee ballot if the voter will be unable to vote at the polling place. The bill eliminates the specific reasons a voter must give, under current law, for being unable to vote at the polling place. In addition, the measure authorizes a voter to request that an absentee ballot be sent using a commercial shipper at the voter's expense. The bill also authorizes voting by facsimile ballot by a person outside the U.S. or a person who becomes a patient in a health care facility within seven days of the election. Marty said the bill also codifies actions taken after the death of Sen. Paul Wellstone regarding the delivery of supplemental ballots to absent voters who request a supplemental ballot.

Sen. Warren Limmer (R-Maple Grove) said he was opposed to the provision allowing absentee voters to vote by facsimile. He cited the potential for voter fraud in not having more safeguards. Marty countered that the safeguards are the same as in the current absentee voter provisions, but offered to delete the section of the bill relating to facsimile. The amendment was adopted.

The bill was approved on a 5-2 roll call vote.

Members approved two additional bills, both sponsored by Marty. S.F. 148 increases disclosure of contributions and expenditures for local political campaigns. The bill requires reporting contributions and expenditures of \$100 per year. The measure also lowers the threshold for

# Committee update

reporting individual contributions to \$100 per year. S.F. 1613 authorizes alternative forms of voting in city elections. The measure allows a city to adopt cumulative voting and requires electronic voting systems to support cumulative voting and ranked-order voting.

## Environment and Natural Resources

### Appointments approved

The Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), met Wed., Feb. 4, to take action on several gubernatorial appointments.

The committee approved the appointment of former Sen. Gene Merriam as commissioner of the Dept. of Natural Resources. The panel also approved the appointments of Keith Langmo, Marcus Marsh and Chester Wilander to the Minnesota Pollution Control Agency Board.

Members also hear a presentation on the Legislative Commission on Minnesota Resources Citizens Advisory Committee's report on wildlife management acquisition.

One bill was heard by the committee and advanced to the Finance Committee. The measure, S.F. 555, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), allows two-way operation of snowmobiles on either side of a highway right-of-way when authorized by the commissioner of transportation. Under the bill, the commissioner must determine that two-way operation will not endanger users of the trunk highway or riders of the snowmobiles using the trail.

## Finance

### Budget outlook discussed

The Finance Committee met Thurs., Feb. 5, to hear from Commissioner Peggy Ingison, Dept. of Finance, about the state's budget outlook. Chair Richard Cohen (DFL-St. Paul) also invited economists Paul Anton and Dan Laufenberg to address the committee on the national economic outlook.

Ingison said the budget forecast from November 2003 indicated the state would have a shortfall of \$185 million for FY 2004-05. She said that while revenues are down from earlier estimates, FY 04-05

spending is lower for E-12 education and human services. In addition, Ingison said, FY 03 ended with a positive year-end balance that was added to the budget reserve. The reserve is up from \$522 million to \$631 million, Ingison said.

Ingison said state income tax revenues are down \$490 million, \$103 million of which is the cost of federal tax compliance. Sales tax revenues were also down, she said, but corporate, motor vehicle and other tax categories were up slightly. The net effect is that revenues are down \$407 million. On the other hand, Ingison said state spending is down about \$143 million from previous estimates. She said the department, and Legislators, will have more information after the February forecast.

Ingison also sounded a cautionary note for FY 06-07. She said current forecasts indicated a \$440 million shortfall in FY 06 and a positive balance of \$46 million in FY 07.

Ingison presented information comparing Minnesota's budget situation to other states and said that Minnesota balanced its budget in much the same way other states have balanced their budgets—through the use of one-time budget actions, cuts in state spending and reserve fund transfers. She said that the recent positive economic news does not mean that the states' fiscal crisis is over.

American Express Chief U.S. Economist Dan Laufenberg said the U.S. economy expanded at a slow motion pace for much of the last two years, but that the 4 percent growth rate of the fourth quarter of 2003 is probably the rate of growth for the balance of this year. He said business spending is going to pick up in 2004 because businesses have both the means and incentive to expand. He also said that he expects that the economy will continue to enjoy the benefits of low inflation and that job numbers will begin to improve.

Paul Anton, president and chief economist of Anton, Lubov & Associates, Inc., also spoke to the panel. He said that the economy is doing well because of increases in productivity rather than job growth. He also outlined some vulnerabilities in the economy and long-term risks. He said the federal deficit may exert upward pressure on interest rates and downward pressure on the dollar which combined could lead to greater inflation.

## Environment, Agriculture and Economic Development Budget Division

### Zoo bonding bill heard

The Environment, Agriculture and Economic Development Budget Division devoted the Thurs., Feb. 5, hearing to discussion of the Minnesota Zoo and the zoo's bonding request. The panel, chaired by Sen. Dallas Sams (DFL-Staples), took no formal action on the bonding proposal and will consider the measure for the division's bonding recommendations.

Lee Ehmke, director, said the Minnesota Zoo has over a million visitors each year and that the zoo generates about \$60 million in direct and indirect benefits to the state's economy. He presented an overview of the zoo's operations and the work the facility does in the area of wildlife conservation. He said, though, that the existing physical plant is in need of repair and refurbishment.

The bonding proposal, contained in S.F. 1655, authored by Sen. David Knutson (R-Burnsville), requests \$48 million in bond proceeds to be used to fund two new exhibits.

Ehmke said the two new exhibits, Gateway to the North and a Biodiversity Center, are part of a master plan that provides a long term physical and business vision for the Zoo. Overall, the plan includes two additional zoo experiences—Prairie's Edge and Africa Trail. The Biodiversity Center will provide a new "front door" for the zoo and will include habitats for primates, birds, fish and invertebrates, Ehmke said. The Biodiversity Center will also be headquarters for the zoo's educational programs, he said. The Gateway to the North will provide an opportunity for visitors to experience wildlife and habitat from the far east of Russia and the connection to North America.

Knutson said the bill is necessary because the zoo is a state institution that the Legislature has a responsibility to maintain. Knutson emphasized the importance of the zoo experience to children and families as an important educational tool.

Mary Hamann Roland, mayor of Apple Valley, and Dakota County Commissioner Will Branning also spoke in support of the measure. Roland also



stressed that the zoo is a statewide asset for all Minnesotans.

## Health, Human Services and Corrections Budget Division

### Public defenders budget and corrections discussed

The Wed., Feb. 4, meeting of the Health, Human Services and Corrections Budget Division was devoted to discussion of the State Public Defenders Budget, growth projections within the Dept. of Corrections and the Dept. of Corrections bonding proposal.

The division, chaired by Sen. Linda Berglin (DFL-Mpls.), heard first from Kevin Kajer, chief administrator, Public Defense Board. Kajer said the general fund appropriation for FY 2005 is \$7.6 million less than the general fund appropriation for FY 2004. He said the Legislature devised a schedule of co-payments for

public defenders services to help make up the difference between the appropriations for the two fiscal years, but the collection of co-payments has not made up the shortfall. As a result, Kajer said, the Board of Public Defense is requesting a supplemental budget request of \$11.838 million. The supplemental appropriation is to fund the scheduled FY 2005 budget reduction, fund the 40,000 hours that part-time public defenders put in over and above the agency complement for FY 2003 and to fund staff positions vacant in FY 2004.

The board petitioned the Supreme Court for caseload relief in three areas, Kajer said. He said the petition requested relief by establishing a presumption that continuances be granted upon request for out of custody clients, limiting public defender appointments in child protection cases to one public defender and requiring pre-petition screening or alternative response in all child protection cases prior to the court filing. However, the Supreme Court denied the petition, Kajer said.

In addition, last fall, Hennepin County challenged the constitutionality of the public defender co-payment and that case is now before the Supreme Court, Kajer said.

Kajer said the public defenders' workload has increased significantly in recent years and that the trend is for still heavier case loads. He said the board does not take a position on issues before the Legislature such as the .08 blood alcohol limit, but that the financial and workload consequences must be taken into account.

The division then turned their attention to the population increase within the Dept. of Corrections. Dan Storkamp, Dept. of Corrections, said the adult male prison population is expected to increase between 200 and 400 offenders annually, with larger increases in the next few years. Storkamp said the projections are done annually, in consultation with the Sentencing Guidelines Commission, and includes only adult prison beds. He said the projections are based on current



*Sen. Geoff Michel (R-Edina) hands out postcards depicting the State Capitol to kindergarten students from Bloomington Lutheran School following their Wed., Feb. 4, tour of the Capitol.*

Photo by David J. Oakes

# Committee update

laws, policies and practices. In July 2003, the total prison population was 7,579 and the current projections place the total population at 9,940 by July 2011, Storkamp said. He said the increases are a result of court volume increases, felony DWI offenders and increases in drug/meth cases.

Dennis Benson, deputy commissioner, presented the department's bed space plan.

He said in FY 2004-05, the department plans on double bunks in St. Cloud and Stillwater and to rent beds. In FY 2006-07, Benson said the department plans to expand the challenge incarceration program, expand Stillwater and rent beds.

Benson also took a few moments to explain educational and treatment programming the department conducts within the correctional facilities. He said programs such as education and chemical dependency treatment are the best and cheapest security in corrections facilities.

Benson outlined the department's 2004 bonding initiatives. The department is requesting \$74.9 million for expansion at the Faribault facility, \$11 million for asset preservation, \$19.2 million for creation of a 150 bed segregation unit at Stillwater and \$350,000 for expansion of the challenge incarceration program by 24 beds.

## K-12 Education Budget Division

### Education department budget reviewed

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), began 2004 by exploring the budget of the Dept. of Education. Deputy Commissioner Chas Anderson and Administrative Services Director Tammy McGlone provided an overview, Thurs., Feb. 5, of historical trends in department spending and the department's FY 2004 budget.

A large portion of discussion centered on federal spending on education in Minnesota. Anderson said the state received \$175 million in federal FY 03 and \$232 million in federal FY 04. Of those amounts, she said, \$102 million and \$118 million, respectively, are directed to school districts. Anderson said it is too early to determine what new money and

what new costs can be attributed to the No Child Left Behind Act. "There is consensus out there that this is not a fully funded mandate," she said. Anderson also sought to dispel the notion that the state is holding onto a large amount of federal money and refusing to spend it. Federal law permits the department a 27-month window in which to spend the funds, she said, and budget officers at all levels have learned the federal appropriations process is not a steady, consistent operation.

Common practice, Anderson said, is to spend old money first, so that the 27-month threshold is not crossed, before spending new appropriations.

## State Government Budget Division

### Political activity fees reviewed

A proposed fee schedule for political activity was the focus of the Tues., Feb. 3, meeting of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.). The proposal was required by legislation passed during 2003. The proposed fees are intended to cover the operating costs of the Campaign Finance and Public Disclosure Board, which enforces the state's campaign finance laws, registers lobbyists, administers the campaign subsidy program and evaluates economic interest statements of public officials.

Will Fluegel, board chair, reviewed the process the board used in evaluating fee schedules. The board consulted with the entities it regulates—lobbyists, political committees and funds, principal campaign committees and party units—and determined the percentage of board operating costs attributable to each category, he said. Fluegel said a survey of other states showed that 12 states, including Minnesota, charge no registration fees for the entities. The unanimous recommendation of the board is not to impose any fees, he said.

The fee schedule proposed, however, is intended to simplify administration and address issues of equity, according to the report. The schedule imposes a \$75 annual fee on lobbyists, a sliding scale of annual fees for political committees and funds and political party units, based on contributions and disbursements. Principal campaign committees, under the proposal, pay a one-time registration fee,

an additional fee upon filing an affidavit of candidacy and a third fee by July 1 of each election year.

Members of the panel discussed the recommendation and the fee schedule. Sen. Jim Vickerman (DFL-Tracy) said he was concerned the fees for principal campaign committees were too high. With fees totaling over \$1,800 for candidates for state Senate, he said, "Are we going to price people out of running for office?"

The full report is available from the Campaign Finance and Public Disclosure Board online: <http://www.cfboard.state.mn.us/feestudy/CFBFeeStudy.pdf>

## Dept. of Admin discussed

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted the Wed., Feb. 4, meeting to hearing reports from representatives of the Dept. of Administration. The reports, requested by the Legislature, concerned mobile telecommunication device expenditure reductions and state vehicle expenditure reductions.

Commissioner Brian Lamb provided a brief overview of the department's organization and outlined the department's accomplishments for 2003. According to materials provided by the department, the agency seeks to provide services that result in government being faster, better and more cost-effective. Highlights of the department's success over the course of the last year include an electronic automation system to manage the state's insurance needs, on-line demographic information on more than 400 population characteristics, on-line professional licensing procedures, automation of surplus property auctions, the creation of the Minnesota State Government Internal Auditing Roundtable to serve as a professional resource and to improve state agency operations, and the development of a shared carrier call center infrastructure. In addition, the agency has also pursued cost-effectiveness through a warrant printing and mailing solution that reduces mailing costs, a new electronic data storage system that reduces maintenance and equipment costs, the aggregating of information technology purchases to save funds and by meeting or exceeding energy efficiency standards.





**Bird Show Naturalist Dave Cruz, right, introduces Sen. Dennis Frederickson (R-New Ulm) and his granddaughter, 4-year-old Greta, to “Tempest,” a 19-year-old bald eagle, as part of the Minnesota Zoo’s annual event in the Capitol Rotunda, Wed., Feb. 4.**

Photo by David J. Oakes

The mobile telecommunication device expenditure reduction plan was required by the Legislature last year. As a result, the department has fulfilled the requirement through three primary activities: the development of a revised statewide telecommunication device use and expenditure policy, improvement of telecommunication device purchasing analysis and tools, and updating cabinet-level state agencies’ telecommunication device inventories.

The vehicle expenditure reduction plan was also required by the Legislature. The department is working to fulfill the requirement by implementing a three-year, phased plan. At a minimum, the plan will ensure that an agency are making more informed business decisions

relating to vehicles and anticipates that the plan can reduce state agency light-duty fleet expenditures by a total of 5 percent by the end of FY 2006.

## Health and Family Security

### Medicare changes discussed

Members of the Health and Family Security Committee began their work for 2004, Tues., Feb. 3, with a lengthy review of changes in federal Medicare law. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), heard from a variety of sources, including the Department of Human Services (DHS), the Greater Minnesota Health Care Coalition, the American Association of Retired Persons, health plans and experts on health policy.

Assistant Commissioner Brian Osberg, DHS, provided committee members with an overview of the major changes in Medicare, including the new prescription drug benefit. Representatives of members of the Minnesota Council of Health Plans discussed other aspects of Medicare and changes that are still to take effect. Members of the Greater Minnesota Health Care Coalition identified the problems they see in the Medicare changes and explained their continuing opposition to the law.

Professor Stephen Parente, Carlson School of Management, explained the health savings account (HSA) concept to the panel. The plan affects everyone, not just those enrolled in Medicare, he said. Consumer-driven health plans, such as



# Committee update

HSAs, have seen significant growth in popularity since 2001, Parente said. At one major Minnesota employer, he noted, about one fifth of employees have selected a consumer-driven option. A sample plan requires a consumer to buy catastrophic coverage with a minimum deductible of \$2,000 and the individual or employer can make pretax contributions to a health savings account of up to \$5,000 per year, Parente said. While the deductible is higher than in traditional health plans, he said, the initial premium cost is much lower, which often results in far lower total costs to a consumer. Also, any money left in the HSA at the end of the year can be rolled forward, he said. The main problem with the current health care system is that consumers do not face the real cost of health care, Parente said. "We see only a \$5 or \$10 deductible, or a \$100 copay, not the full cost of services," he said. Consumer-driver health plans solve the problem, he said, by exposing consumers to the true cost of their medical care.

## Judiciary

### Eviction expungement discussed

The Judiciary Committee held its first hearing Tues., Feb. 3, to consider two bills dealing with the expungement of eviction records. The panel, chaired by Sen. Don Betzold (DFL-Fridley), heard testimony on the two measures and then voted to lay both bills on the table.

The first measure, S.F. 959, authored by Sen. Dallas Sams (DFL-Staples), changes the law dealing with the discretionary expungement of eviction records. Under the bill, the court could order expungement of an eviction case court file only upon the motion of a defendant and decisions by the court and only if the court makes an explicit written finding that the landlord's case is without basis in fact or law. In addition, the measure specifies that a case being stricken, dismissed or settled, or an agreement between the parties to allow expungement, does not determine that the case was without basis in fact or law.

Jack Horner, representing the Minnesota Multi Housing Association, said the bill tightens the requirements for expungement of records. He said there is a growing inability on the part of landlords to find a complete history of prospective tenants because records have been expunged.

The second bill, S.F. 883, sponsored by Sen. Linda Berglin (DFL-Mpls.), provides that a court may order expungement if the court finds that there is a change in circumstances for the tenant that indicate that the eviction case is not a reasonable predictor of future behavior. In addition, the bill also spells out circumstances for mandatory expungement of eviction case court files. The measure specifies that records be expunged if the court finds that the tenant prevailed in the action, or the landlord's case is sufficiently without basis in fact or law. Berglin said the bill provides for more expungements. She said, "Most of the time, when people experience evictions it is not because they are criminals, but because they have fallen on hard economic times. This is one way to help alleviate homelessness, because individuals won't have harmful information on their records."

Committee members tried to reconcile the two bills, but were unable to do so. Sen. Julianne Ortman (R-Chanhassen) said, "It seems that the current laws dealing with landlords and tenants are very carefully balanced and I think it might be best to leave them that way."

After further discussion, Sen. John Marty (DFL-Roseville), moved to lay both measures on the table. The motion was adopted.

## Rules and Administration

### Panel approves reorganization of Senate

Members of the Rules and Administration Committee approved a reorganization of the Senate during their first meeting in 2004. Led by Sen. Dean E. Johnson (DFL-Willmar), members approved resolutions creating a new committee and renaming other committees, naming majority and minority leaders and establishing a committee meeting schedule.

The committee also approved resolutions allocating postage to members and providing for the reimbursement of intern expenses. Johnson also reviewed the process by which bills will be re-referred during the day's session. Bills are being moved to accommodate the new committee structure and jurisdictions, he explained. Looking forward, Johnson said committees and floor sessions will begin



**Senators John Marty (DFL-Roseville), left, and Steve Dille (R-Dassel) consult on proposed legislation during a Senate floor session.**

Photo by David J. Oakes



11

# Committee update

Representatives of several health-related interest groups, including the Agents Coalition for Health Care Reform, Communicating for Agriculture and the Self-Employed and the Minnesota Association of Health Underwriters, spoke in support of S.F. 1602. Beth Hartwig, health policy director for the Minnesota Business Partnership, said employers and employees face a growing inability to pay for the demands placed on the current health care system. HSAs offer portability and flexibility to insured persons and engage consumers in making health care decisions, she said. Twyla Brase of the Citizens Council on Health Care noted that a large number of uninsured persons are those making more than \$75,000 per year. For those people, she said, it may not make sense to pay for a high-premium, low-deductible traditional insurance plan, because they do not use many health care services. Ultimately, Brase said, it is better to provide access to affordable catastrophic coverage than to have no access at all.

Robert Bodine said the Minnesota Senior Federation does not oppose the HSA concept, but believes the accounts should be available to all Minnesotans. As currently constructed, people over age 65 cannot contribute to HSAs, he said. Healthy people will select the high-deductible HSA option, he said, while consumers with a lot of expenses will choose to remain in a low-deductible plan. LeClair said he agrees that policymakers should move toward a totally unencumbered product, one that allows people over 65 to contribute to their accounts. However, he said, hoping to move in that direction should not preclude the state from taking the first step. LeClair said the federal government had considered an unencumbered version of HSAs, but could not implement it because of federal budget constraints.

## 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.

## 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.mn>) 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.

The House of Representatives Web page (<http://www.house.mn>) 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.mn>) 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.

## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0209.htm>

## Frequently called numbers

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Senate Committee Hotline (651) 296-8088

#### Senate Sergeant at Arms

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#### Senate Counsel & Research

G-17 Capitol (651) 296-4791  
TTY, Senate (651) 296-0250  
Toll free 1-888-234-1216

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#### House Public Information

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#### House Committee Hotline

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#### House Sergeant at Arms

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#### House Research

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TTY, House (651) 296-9896  
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### Joint

#### Legislative Reference Library

645 State Office Building (651) 296-3398

#### Revisor of Statutes

700 State Office Building (651) 296-2868

#### Capitol Information Desk

1st Floor Capitol (651) 296-3962

#### Capitol Historic Site Tours

B-59 Capitol (651) 296-2881

#### Capitol Security

B-5 Capitol (651) 296-6741



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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*The Senate Chamber is filled with activity during a recent floor session in this view from the west gallery.*  
*Photo by David J. Oakes*



February 13, 2004

# Senate Highlights

## Lower DWI limit approved

Senators met Thurs., Feb. 12, to approve a bill lowering the per se legal limit for blood alcohol concentration from 0.10 to 0.08. The measure, S.F. 58, passed the Senate on a 48-18 roll call vote.

Sen. Leo Foley (DFL-Coon Rapids), chief sponsor, said the state has already lost about \$15 million in incentive funds from the federal government for waiting until now to adopt 0.08. The state, he said, is now in a sanction period and will lose from two to eight percent of its federal highway dollars until it adopts the lower standard.

Adopting a lower standard increases costs to local units of government, said Sen. Dallas Sams (DFL-Staples). Sams offered an amendment delaying the effective date of the change to 2007. As long as the state adopts 0.08 in 2007, he said, the federal government will restore the lost money. The delay also gives local governments and the state time to prepare for the increased costs, Sams said.

However, Foley said counties have known the new standard was coming for years and should have already prepared for it. He also said the lost funds will not be restored all at once and will not be indexed to inflation if the amendment is adopted.

Sen. David Knutson (R-Burnsville) said the amendment delays the life-saving potential of enacting 0.08. The Department of Public Safety estimates that about 14 lives per year could be saved with a 0.08 standard, he said. Knutson said a

delay prolongs our problems with border states, which have all adopted the lower standard, and makes Minnesota an island. The lower standard is a certainty in Minnesota, said Sen. Warren Limmer (R-Maple Grove). The debate about adopting 0.08 has been around longer than I have been in the Legislature, he said, and accepting the Sams amendment means three more years of debate. "Quite honestly, I'm a little tired of this issue," Limmer said, and it is time to end the debate now and adopt 0.08.

Sen. Thomas Neuville (R-Northfield) offered an amendment to the amendment requiring local police agencies to report to the Dept. of Public Safety the blood alcohol concentration limits of persons involved in traffic stops. He said the state needs more information about how many drivers who are stopped have blood alcohol concentrations between 0.08 and 0.10. The amendment to the amendment was not adopted. The amendment delaying the effective date of the lower limit was rejected on a 28-48 roll call vote.

Neuville reoffered his amendment, providing for reporting of BAC data. Sen. Mike McGinn (R-Eagan) said policymakers should resist the temptation to make police officers social researchers. Time spent collecting data is time not spent keeping the public safe, he said. The amendment was adopted on a voice vote.

Sen. Bob Kierlin (R-Winona) offered an amendment waiving the requirement for first-time offenders to undergo chemical dependency assessment if their BAC is between 0.08 and 0.10. The amendment also waives certain fees and surcharges and retains other fees at the local level, instead of being forwarded to the state treasury. Kierlin said the amendment aims to reduce the costs associated with a first-time offense under the new standard. However, Sen. Linda Berglin (DFL-Mpls.) said members should not give out money on the Senate floor. The proposal should be introduced as a bill and go through the committee process, she said. Defendants facing a conviction for an offense with a BAC above 0.10 will try to reach a plea bargain for a lower BAC and avoid the fees and assessment, said Sen. John Marty (DFL-Roseville). The amendment was defeated, 23-40.

Several Senators noted that other states have successfully reduced drunk

driving and alcohol-related fatalities by enacting the lower standard. Sen. Sandra Pappas (DFL-St. Paul) said 0.08 is not aimed at social drinkers. In Illinois, she said, no additional resources were needed to enforce the lower standard and the state recorded significant decreases in fatal crashes involving alcohol. Sen. Claire Robling (R-Jordan) said the new legal standard represents a new cultural standard and a positive commitment to responsible drinking.

Sen. Steve Murphy (DFL-Red Wing) said inattention by drivers causes more deaths than alcohol consumption. "We need to buckle up, we need to slow down and we need to hang up those cell phones," he said. Murphy urged drivers to call a cab or a friend after having even one drink, rather than getting behind the wheel. However, he urged Senators to defeat the bill because the federal government has no place dictating traffic policy to state legislatures. "We want our roads safe, but we don't want a \$70 million gun held to our heads," Murphy said.

A vote against enacting 0.08 doesn't represent a lack of commitment to reducing drunk driving, Neuville said. To get people to take drunk driving seriously, he said, the state needs to hit drunk drivers in the pocketbook. Neuville urged Legislators to take repeat offenders' cars away faster and enact other reforms to impress the seriousness of the issue on citizens.

In other action, members adopted a resolution correcting the mileage amounts used to compensate Senators for their travel.

## Confirmations discussed

Senators met briefly Mon., Feb. 9, to process work at the Senate Desk, consider a motion relating to confirmation of gubernatorial appointments, consider confirmation of other appointments and to take action on one bill.

Sen. Ann Rest (DFL-New Hope) moved that the confirmations on the floor be sent back to the committees with jurisdiction over the appointments. Sen. Dave Kleis (R-St. Cloud) objected to the motion, because under the Senate Rules, an appointment referred to committee and not reported to the Senate within one year after it was referred be withdrawn from committee and placed on the confirmation calendar for consideration by the Senate. Rest responded that the

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes



Senate was not able to act on the confirmations last year and the motion is to give appointees an opportunity to appear before committees and have their appointments acted upon by those committees. She also said the rule had been satisfied with the appointments being sent to the Senate floor. Sen. Claire Robling (R-Jordan) said it was disgraceful that the Senate has prolonged the confirmation process by not acting in a timely manner. The motion was adopted on a 34-31 roll call vote.

Members then took up the confirmations on the individuals who did appear before the various committees last year. Dan Salomone was confirmed as commissioner of revenue and Kevin Goodno was confirmed as commissioner of human services. There was some discussion on the appointment of Dianne Mandernach as commissioner of health because of concerns relating to information on the department's web site relating to abortion and the risk of breast cancer. Sen. John Marty (DFL-Roseville) said he had requested information relating to the decision to change the web site, but did not receive information containing any scientific evidence for the change. Kleis responded confirmation of commissioners is not a job review, but a confirmation on the basis of an individual's qualifications. Mandernach's appointment was confirmed on a 48-17 roll call vote.

In addition, Senators confirmed the appointments of Elizabeth Hepola and Robert M.A. Johnson to the Board on Judicial Standards and of Velma Korbel as commissioner of the Dept. of Human Rights.

Members granted concurrence and repassage to S.F. 906. The bill, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), authorizes the collection of treatment copays from offenders. Skoglund said the other body amended the bill to include a provision that prohibits offenders from possessing or receiving pornographic materials, a provision that he supports. The bill was granted final passage on a 61-0 roll call vote.

## Stadium proposals considered

Stadium proposals from local communities, recommendations from the governor's stadium task force and the needs of professional sports teams were the focus of the Wed., Feb. 11, meeting of

the State and Local Government Operations Committee. As no formal measures were before the panel, members, chaired by Sen. Linda Higgins (DFL-Mpls.), took no action.

Dan McElroy, the governor's chief of staff and chair of the stadium task force, outlined the work of the task force and reviewed its recommendations. He said a financing model should be composed of three elements—a team contribution, funding from the host community and a fan contribution. The fan contribution element, McElroy said, includes items ranging from ticket taxes and parking surcharges to personal seat licenses and commemorative stadium stock certificates or bricks. "While several communities said there is a funding gap to be filled by the state," McElroy said, the governor has rejected using either state general fund dollars or state general obligation bonds for financing a stadium. The task force recommended that taxes imposed by host communities to fund stadiums should not be subject to voter referendum. McElroy said local officials have said they are willing to put their future status as officeholders at stake to fund either a football stadium or a baseball park.

Polls show that over 70 percent of Minnesotans support using gaming revenue to fund the construction of sports facilities, said Sen. Dick Day (R-Owatonna). He said the task force should not have rejected out of hand some form of state-sponsored gaming to fund stadium construction. However, task force member Scott Thiss said the issue of stadium construction is controversial enough without adding the controversies of gaming to the mix. Another funding source not included in the task force's recommendations, McElroy said, were naming rights and concession rights. He said naming rights, beverage pouring rights and other concession rights are integral to an overall marketing strategy. As such, they are best left as revenue sources for the team, McElroy said, but can be used to negotiate a higher down payment or higher lease payments.

Representatives of both professional football and baseball addressed the needs of each team. Mike Kelly, executive vice president of the Minnesota Vikings, said football is the nation's and state's most popular spectator sport. The NFL has excellent revenue sharing, a hard salary cap and 20 years of labor peace and

stability, he said. However, where the Vikings feel the pinch is in local revenue, Kelly said. The teams is 24th among the league's 32 teams in net gate receipts and is in the bottom quartile or dead last in other local revenues, he said. To continue fielding a competitive team, Kelly said, the team needs to at least become average among its league peers. He said the team needs a few more seats, but mostly needs to be able to offer a greater variety of seats by increasing the number of club seats and suites. Greater revenue streams are also available, he said, by having wider concourses and more points of sale for concessions. A new stadium for the Vikings means more than just 10 NFL games, but also opens up the Twin Cities to hosting men's and women's World Cup soccer events, a professional soccer team, the NCAA Final Four and the Super Bowl, Kelly said. Lester Bagley, a team consultant, addressed questions about the team's status. He said the team is currently on the market, but that the Vikings cannot continue to exist in this market, regardless of ownership, without solving the stadium problem.

Twins Sports, Inc., President Jerry Bell said Major League Baseball has resolved many of its financial problems since the last stadium proposal was approved by the Legislature in 2002. The new collective bargaining agreement provided for enhanced revenue sharing, created a new competitive balance tax on teams and imposed a debt service limit. He said the optimal proposal for a ballpark allows private sector participation in financing, recognizes that the amount available from the private sector is a function of many factors, allows the team to work out details with the host community, does not impose impossible conditions (such as a long-term guarantee that the team will stay) and recognizes the economic and quality of life value of professional baseball to Minnesota.

Representatives of four communities presented their proposals for stadium locations. The governor's stadium task force determined that two sites—in Minneapolis and St. Paul—were viable for a baseball park and two sites—in Blaine and Eden Prairie—were viable for a football stadium.

The full report of the stadium task force is available online: <http://www.stadium.state.mn.us/>

# Committee update

## Agriculture, Veterans and Gaming

### Agriculture trends discussed

Members of the Agriculture, Veterans and Gaming Committee met Mon., Feb. 9, to hear from faculty and students of Ridgewater College on the future of agriculture. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also paused to reflect on the lives of people who frequently came before the committee and who died during the interim.

Jim Molenaar, regional manager of the farm business management program at Ridgewater College, discussed the contributions agriculture makes to the economy. He said Minnesota ranks 6th among the states in total agriculture receipts at \$8.1 billion and 7th among the states in agricultural exports at \$2.3 billion. Agriculture accounts for 350,000 jobs in Minnesota, or 11 percent of total employment, and one in four jobs are dependent on agriculture, Molenaar said. He also discussed the decreased buying power, for farmers, of agricultural products and the increased debt levels many farmers bear. Molenaar also noted that Americans have the most affordable food prices of any nation in the world, even with the cost of federal payments to farmers. Total federal payments were \$13.1 billion in 2002, costing the average citizen \$45 a year, he said.

Four students from Ridgewater College discussed the declining number of young people interested in farming or in staying in Greater Minnesota communities. They also presented proposals for increasing interest in agricultural life: increasing K-12 school funding, requiring an agriculture education program in every school district, returning University of Minnesota Extension Service programs to every county, providing government incentives for high-paying manufacturing and technical jobs to locate in Greater Minnesota, creating a subsidy for dairy farmers in their first five years of operation and providing financial support for students seeking additional education in agriculture.

### Service animal restitution okayed

A bill providing for restitution to be made to owners of service animals harmed by other animals was approved by members of the Agriculture, Veterans and Gaming Committee during their Wed.,

Feb. 11, hearing. S.F. 1614, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), was advanced to the Crime Prevention and Public Safety Committee.

The bill requires a person to make restitution for the resulting costs and expenses of personally harming a service animal or harming the service animal by negligently or intentionally permitting a dog to run uncontrolled off the owner's premises or failing to keep the dog properly confined or controlled. Phil Kragnes of the Minnesota Guide Dog Users told committee members, chaired by Sen. Jim Vickerman (DFL-Tracy), that service animals are more likely to be attacked by other animals than by persons. He said the association is not trying to jail people for accidental harm, but wants just compensation for people dependent on service animals.

Three owners of service dogs related their stories of attacks on their dogs by other dogs. Jo Davis, a resident of Austin, said all three of the service dogs she has had since 1994 have been attacked. One of the dogs was attacked so brutally, she said, that it was rendered unreliable around animals or people. Barb Kaufman of Minneapolis related the story of an attack on her guide dog, Glamour, in 1998. She said Glamour required some veterinary attention after the attack and some retraining to maintain behavior control. In addition, Kaufman said she had to take about three-fourths of a day off work immediately after the attack to attend to Glamour. Clarence Schadeegg, also of Minneapolis, said his service dog has been attacked three times in the last six months. The attacking dogs were usually unleashed, he said, and often attacked in high-traffic areas that posed great risk to his dog and himself.

## Commerce

### Wilson confirmed

Members of the Commerce Committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), confirmed Glenn Wilson as commissioner of the Dept. of Commerce, Mon., Feb. 9. The panel advanced the appointment to the Senate on a voice vote.

Wilson was named commissioner by Gov. Tim Pawlenty on the governor's first day in office, Jan. 6, 2003. Previously, he was an executive with several home mortgage firms and served as president of

Ginnie Mae under President Ronald Reagan. Wilson reviewed the department's activity for the past year and his goals for the agency. He said he has sought increased productivity from the department, especially through greater use of the Internet. "My first year was, with the exception of a few bumps, a very positive one," Wilson said.

Sen. Ellen Anderson (DFL-St. Paul) noted that several high-ranking officials in the Pawlenty administration have connections to the telecommunications industry. She sought assurances that the department takes consumer protection seriously and that Wilson will not accommodate the administration's friends at the expense of consumers. The commissioner said the telecommunications industry is evolving rapidly and the state must decide if it wants to get in front of the movement and direct it, or wait for the changes to happen and react. Wilson said his preference is to get in front. He also assured the panel that he does not intend to change his values to suit the requests of any industry. Sen. William Belanger (R-Bloomington) said he has known the commissioner for 11 years. Wilson, he said, has had an enviable and distinguished career and has brought dignity and respect to the Department of Commerce. Sen. David Gaither (R-Plymouth) also spoke in support of confirming the appointment, saying Wilson is a man of high integrity and is well prepared for the job in front of him.

## Crime Prevention and Public Safety

### Sex offender sentencing discussed

A bill changing sentencing provisions for patterned and predatory sex offenders was the focal point for discussion at the Mon., Feb. 9, Crime Prevention and Public Safety Committee meeting.

The bill, S.F. 1863, sponsored by Committee Chair Leo Foley (DFL-Coon Rapids), increases the maximum sentences for sex offenses, modifies the patterned and predatory offender law, creates a new crime of sixth-degree criminal sexual conduct and provides for indeterminate sentences for repeat sex offenders. Foley said the purpose of the hearing was to review the bill and hear testimony on the principles contained in the measure, but that no action would be taken on the measure.



The bill incorporates the concept of “future dangerousness” as a reason that patterned and predatory offenders merit longer-term supervision and treatment than do other types of offenders. Under the measure, the penalty for criminal sexual conduct in the first, second, third and fourth degrees is increased to a statutory maximum penalty of 60 years. Further, a life sentence is required for offenders who commit those crimes and the offense is considered a second or subsequent sex offense. The court must also specify a minimum term of imprisonment. The bill provides that an offender serving a mandatory life sentence may not be given supervised release without having served the minimum term of imprisonment. The bill also creates a new crime of criminal sexual conduct in the sixth degree, which is defined as the offender committing a predatory crime that is motivated by the offender’s sexual impulses or was part of a predatory pattern of behavior that has criminal sexual conduct as its goal. The bill requires that an offender convicted of sixth degree criminal sexual conduct, when the offense is considered a second or subsequent offense, be sentenced to life imprisonment with a minimum term specified by the court. The bill also defines “second or subsequent offense” and does not require an offender to commit and be convicted of a sex offense before the offender commits a subsequent sex offense in order to be considered a repeat offender.

Hennepin County Attorney Amy Klobuchar spoke on the topic of sex offender sentencing. She said the County Attorney Association has not yet taken a position on the bill, but does support many of the principles incorporated in the measure. She said changes need to be made to the civil commitment law for sex offenders, but that the law is a valuable tool. However, Klobuchar said the most effective tool in dealing with sex offenders is making changes to the criminal law. She said certain offenders are so danger-



**Frisco, an 11-year-old yellow lab guide dog, reclines next to his owner, Clarence Schadegg, during a Agriculture, Veterans and Gaming Committee meeting, Wed., Feb. 11. A bill requiring restitution for harm done by dogs to service animals was being considered.**

Photo by David J. Oakes

ous that the current sentence should be the minimum term followed by the possibility of long term incarceration. “Future dangerousness is a valid criterion,” Klobuchar said. Klobuchar also recommended longer sentences under the current sentencing system.

Sen. Jane Ranum (DFL-Mpls.) said the concept behind the changes is that if an offender has a pattern of behavior, the prosecutor and court can use the information at sentencing even if it is the offender’s first conviction. Ranum also pointed out that Minnesota currently has some of the longest sentences in the country for sex offenders.

## Predatory offender supervision reviewed

Programs for the supervision of predatory offenders were the central topic of discussion at the Wed., Feb. 11, meeting of the Crime Prevention and Public Safety Committee. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), heard about the differing levels of supervision.

Bill Guelker, Dept. of Corrections, explained the intensive supervised release program. He said the program provides the closest supervision for the most severe cases. He said intensive supervised release agents are funded by both the state and the counties. The caseload is limited to 15, he said, and the average is somewhat lower.

Scott Behrends, an intensive supervised release agent, explained the program on a step by step basis. He said he works with two other agents and covers several counties in Greater Minnesota. The intensive supervised release program for sex offenders is a one year program and involves numerous face-to-face meetings with the offender, electronic monitoring for a minimum of the first 30 days and mandatory treatment for the offender.

Guelker also explained the other levels of supervised release. He said there are also sex offender specialist probation officers and the normal supervised release program. Guelker said the case loads increase as the intensity of supervision decreases.

Members also heard from Cari Gerlicher, Dept. of Corrections Office of Special Investigation. She is director of the fugitive unit and said the unit’s number one priority is level 3 sex offender absconders and loss of life felons.

Eric Knutson and AnneMarie O’Neill of the Bureau of Criminal Apprehension explained the sex offender registration program. Knutson said the office also



# Committee update



**Maia Torkildson, a senior at Robbinsdale Cooper High School, plays her violin with the school's Chamber Strings during a performance in the Capitol Rotunda, Thurs., Feb. 12.**  
Photo by David J. Oakes

trains anyone involved with sex offender registration and provides training for offenders about the steps they must take to register. O'Neill said 14,500 individuals have been or are currently registered. She said there is 85 percent compliance and that registration must continue for a minimum of 10 years.

Craig Vos, Hennepin County Community Corrections, explained supervised release from the county perspective. He said Hennepin County receives a disproportionate number of level 3 sex offenders, particularly in the Phillips and Jordan neighborhoods. Members also heard from representatives

of the Minnesota Correction Association and from residents of the Jordan neighborhood.

## Education

### Survey consent discussed

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), discussed the Minnesota Student Survey during their Tues., Feb. 10, meeting. The survey is administered once every three years by the Minnesota Dept. of Education (MDE) and asks 6th, 9th and 12th graders about illegal activities, violence, sexual behaviors and other health and social issues.

The bulk of the hearing revolved around the issue of parental consent and notification. In February 2003, the U.S. Dept. of Education sent a memo to school superintendents outlining districts' obligations under federal law. In January 2004, MDE sent a memo to superintendents noting that federal law requires prior written consent from parents before the Minnesota Student Survey is administered. However, MDE sent out a memo seven days later, on Feb. 6, clarifying that districts must obtain prior parental approval only if they are using federal education funds to administer the survey. According to the later MDE memo, districts not using federal education funds can choose to give parents an opt-out opportunity or to require prior parental consent.

Deputy Commissioner Chas Anderson, MDE, said the department erred in the January statement because it believed the department had used federal education funds to prepare and administer the survey. She said closer examination revealed that while split-funded employees were involved in preparing the survey, the employees did not spend federally-funded time on the survey. When the Minnesota Student Survey was first developed in 1989, Anderson said, federal funds were used. No records exist between that time and 2001, she said, when the state was the only funding source for the survey. The 2004 survey is being funded by MDE, the Dept. of Human Services and the Dept. of Health, Anderson said. She said the other departments are using federal funds, but not money controlled by the U.S. Department of Education.

"Federal funds were dancing all around this survey," said Sen. Michele



Bachmann (R-Stillwater). She said federal money was used in the preparation of the survey, in paying the split-funded employees and is using the federal health grants through the state health department. Bachmann said one reading of federal law and congressional intent is that no federal funds—administered by any federal agency, not just the U.S. Dept. of Education—can be used unless parents are asked for positive consent. However, Scott Croonquist of the Association of Minnesota School Districts said Wisconsin has interpreted federal law to mean that as long as the survey is voluntary, active consent is not needed. The Minnesota Student Survey is not required, he said, and neither is active parental consent. Laura Bloomberg, a member of the Mahtomedi School Board and parent of students in the Mahtomedi schools, said communities need to talk more, not less, about the issues addressed on the survey. Active parental consent kills activities, she said, even field trips and will make administering the survey or getting accurate results impossible. Sen. David Hann (R-Eden Prairie) said a lot of parents passively consent without knowing what is on the survey. He suggested a real public discussion of the survey would benefit from the widespread availability of the questions on the survey, either in newspapers or on MDE's website.

## Environment, Agriculture and Economic Development Budget Division

### DNR bonding proposals hear

The Environment, Agriculture and Economic Development Budget Division met Tues., Feb. 10, to hear a series of bonding proposals by the Dept. of Natural Resources. The division, chaired by Sen. Dallas Sams (DFL-Staples), took no formal action on the proposals.

Deputy Commissioner Mark Holsten presented the list of projects, which total \$67 million. One of the largest projects, \$20 million for flood hazard mitigation grants, is needed to complete the projects in order to protect against future floods in Montevideo, Breckenridge, East Grand Forks and Ada. The agency is also requesting \$1 million for dam repair, reconstruction and removal, \$4 million for RIM critical habitat match, \$12 million for RIM wildlife area land

acquisition, \$1.05 million for fisheries acquisition and improvement, \$3.5 million for water access acquisition and fishing piers, \$3 million for state land reforestation, and \$1 million for metro greenways.

Holsten said the governor has also recommended \$1 million for native prairie bank easements and development, \$2 million for state trail acquisition and development, \$1 million for county forest land reforestation, \$1.750 million for fish hatchery improvements, \$1 million for state forest land acquisition, \$1 million for state forest roads and bridges, \$2 million for state park acquisition, \$3 million for state parks building development and rehabilitation, \$2 million for Lake Superior safe harbors and \$2 million for state-wide asset preservation.

Finally, the governor recommends \$1 million for field office renovation and improvements, \$2.3 million for office facility development, \$500,000 for stream protection and restoration, \$300,000 for scientific and natural areas acquisition and development and \$600,000 for RIM wildlife management area development, Holsten said.

### BOWSR bonding requests heard

Ron Harnack, executive director, presented the capital budget requests of the Board of Water and Soil Resources at the Thurs., Feb. 12, meeting of the Environment, Agriculture and Economic Development Budget Division. The division, chaired by Sen. Dallas Sams (DFL-Staples), also heard briefly from Mark Holsten, deputy commissioner, Dept. of Natural Resources. Holsten had returned to provide answers to questions raised at the prior hearing about the department's bonding requests.

Harnack said the Board of Water and Soil Resources is requesting \$4.362 million for local government road wetland replacement and \$23.2 million for Reinvest in Minnesota (RIM) reserve and the conservation reserve enhancement program (CREP). The governor has proposed an identical amount for local government road wetland replacement and \$22 million for RIM reserve and CREP, Harnack said.

Harnack said the local government road wetland replacement mitigates wetlands lost to improvements on local public roads. He said that the annual wetland mitigation needs over the past 2

years equaled 225 acres. The average cost in the Metro Area is \$15,000 per acre and in Greater Minnesota the average cost is \$6,000 per acre. He said the program benefits include cost-effective and efficient wetland mitigation, greater wetland quality and better water quality.

The RIM reserve is a state program that compensates landowners for granting conservation easements to protect or retire marginal agricultural and environmentally sensitive lands, Harnack said, and the CREP program combines the federal Dept. of Agriculture conservation reserve program with RIM to set aside priority marginal agricultural land and environmentally sensitive land along waterways. Harnack said the state can leverage \$4 from the federal government for every \$1 from the state. He emphasized that CREP is voluntary and leads to significant natural resource benefits.

## Environment and Natural Resources

### Sales tax dedication proposal advances

A bill proposing an amendment to the Minnesota Constitution cleared its first committee hurdle Mon., Feb. 9. Members of the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), advanced the measure to the State and Local Government Operations Committee.

S.F. 401, sponsored by Sen. Dallas Sams (DFL-Staples), proposes a constitutional amendment requiring the dedication of an amount equal to one-quarter of one percent of taxable value of items and uses subject to the state sales tax. Under the bill, the dedication begins July 1, 2005 and lasts 20 years. The proposal apportions the receipts to three new funds: a heritage enhancement fund, a parks and trails fund and a clean water fund. The bill puts on the November 2004 general election ballot a question on whether to approve the amendment. S.F. 401 also includes conforming changes in state law, including creating a heritage enhancement council to oversee the heritage enhancement fund. Members adopted an amendment, offered by Sen. Don Betzold (DFL-Fridley), requiring members of the council to consult with statewide—as well as local—fishing, hunting and wildlife groups.

# Committee update



Sen. John Marty (DFL-Roseville) helps three-year-old Alexandra Morgan of Minneapolis with a cupcake during a mock bake sale in the great hall of the Capitol, Mon., Feb. 9. Sponsored by Fund Kids First, a group opposed to public funding for professional sports entertainment, the event was held to encourage the Twins and Vikings to hold bake sales to raise money for new stadiums rather than raise taxes.

Photo by David J. Oakes

Representatives of several environmental, conservation and hunting and fishing groups spoke in support of the measure.

## Hunting, fishing bills considered

The Environment and Natural Resources Subcommittee on Game and Fish met Wed., Feb. 11, to consider several bills dealing with hunting and fishing. The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), approved all the bills, advanced two bills to the full committee and retained two bills for inclusion in the omnibus game and fish bill to be developed by the panel.

S.F. 1663, authored by Sen. Thomas Bakk (DFL-Cook), exempts minors from the requirement of providing a Social Security number when applying for a game or fish license. S.F. 1733, authored by Sen. Bob Kierlin (R-Winona), modifies the nonresident license fee to take deer by archery for nonresidents from other states

or provinces. Under the bill, the fee is the greater of the amount the person would pay in their state or province or \$135. Both measures were advanced to the full Environment and Natural Resources Committee for consideration.

S.F. 1652, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), provides for lead tackle awareness and education. The bill requires the commissioner of natural resources and the director of the Office of Environmental Assistance to provide public education regarding concerns about lead fishing tackle and promote the availability of nonlead tackle. In addition, the measure allows the Dept. of Natural Resources commissioner to coordinate and participate in efforts to promote national laws and educational programs regarding lead fishing tackle. Finally, the bill authorizes grants to conservation organizations and angler associations to assist in reducing the use of lead fishing tackle.

S.F. 1683, sponsored by Sen. Michael Jungbauer (R-East Bethel), prohibits the taking of white deer.

The latter two bills were approved by held in the subcommittee for inclusion in the omnibus bill.

## Health and Family Security

### Panel hears effects of budget cuts

The Health and Family Security Committee devoted the Tues., Feb. 10, hearing to hearing informational testimony on the effects of budget cuts on child care, dental coverage and MinnesotaCare. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), heard from a variety of groups on the budget balancing cuts enacted during the 2003 session.

Ann Kaner-Roth, Child Care Works, said cuts to child care last year were disastrous for some families. She highlighted some of the policy changes such as



increased income limits for eligibility, increased fees and reduced payments to child care providers and the effect of those changes on families. Minh Ta, Childrens Defense Fund, spoke on two issues affecting families. He said the decreased availability of child care has pushed some families onto welfare rather than assisting families' efforts to get off assistance. In addition, he said, the waiting list for child care has increased markedly. Chad Dunkley, president, Minnesota Child Care Association, said the cuts fell heavily on child care providers. He said that in addition to cuts, many providers experience sharply higher fees.

Members also heard individual stories on the impact of the child care cuts from parents Mike Hines and Chris Cameron and child care provider Addie Clyde.

Lourey reviewed the cuts made to MinnesotaCare and then invited Bonnie Keeling, Duluth Family Practice Center, and Connie Walsh, United Family Practice, to speak on the impact of the cuts on their practices. Denise Koffman, a MinnesotaCare enrollee, also spoke on the way the cuts affected her health care.

Finally, members heard from Dr. Pat Foy, DDS, and Dr. Carl Ebert, DDS, on the effects of the cuts for dental services. Both said that the cuts, while saving money in the short term, lead to even greater costs in the long term.

### Clinical trials coverage bill stalls

A bill requiring health plans to cover routine patient care costs associated with clinical trials failed to advance during the

Thurs., Feb. 11, meeting of the Health and Family Security Committee. Panel members, chaired by Sen. Becky Lourey (DFL-Kerrick), laid the bill on the table.

S.F. 1573 also requires health plans to cover items and services needed to diagnose and treat complications arising from participation in clinical trials. The bill, sponsored by Sen. Linda Higgins (DFL-Mpls.), limits the coverage to clinical trials meeting the qualification process for Medicare coverage. Matthew

However, representatives of health plans and the business community said the proposal is too broad a mandate, unnecessarily interferes with the relationship between the medical community and health plans and exposes patients to unsafe clinical trials. Carolyn Jones, Minnesota Chamber of Commerce, said the qualification process for Medicare has not been fully developed and is not a standard. We should not be legislatively mandating coverage for experimental

procedures without standards for quality and patient safeguards, she said. Kathryn Kmit, Minnesota Council of Health Plans, said the proposal only applies to the fully insured market. Patients covered by self-insured employers are not affected, she said, and the health plans have not been made aware of any problems with the current system for plan interaction with clinical trials. A voluntary agreement between health plans and the medical community is the only way to reach the entire market, said Dannette Coleman of Medica.

In other action, members advanced two bills. S.F. 1721, carried

by Sen. Dallas Sams (DFL-Staples), is the Minnesota Health Plan Contracting Act. The measure creates a framework for contracts between health care providers and health plan companies. The measure was re-referred to the Finance Committee. Sen. Gary Kubly sponsored S.F. 1748, which modifies provisions relating to the Emergency Medical Services Regulatory Board, including board membership criteria, training program requirements, mandatory reporting requirements and longevity award criteria. The bill was sent to the floor.



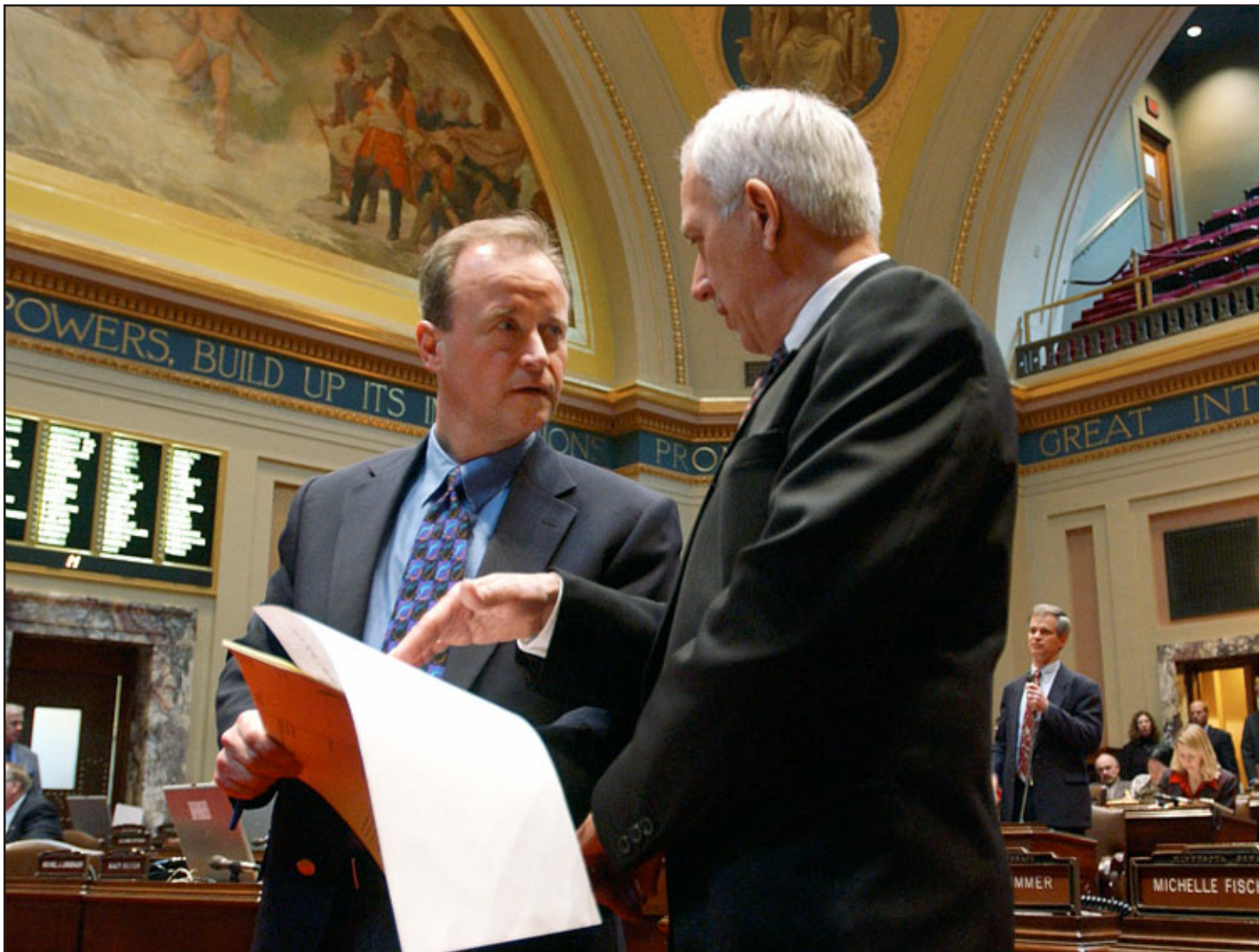
**Brianna Carlson, left, of Faribault, and Ann-Marie Kishel, from Minneapolis, express their concerns during the "2004 Violence Against Women Action Day Rally" in the Capitol Rotunda, Wed., Feb. 11.**

Photo by David J. Oakes

Flory, American Cancer Society, said the measure simplifies the billing process and gives patients increased access to high quality trials. The fear of additional costs should not be a barrier between patients and potential treatments, he said. Dr. Dan Foley, chief medical officer at United Hospital in St. Paul, said the many nationally recognized centers located in Minnesota engaged in cutting edge treatment provide a direct benefit to Minnesotans. The bill, he said, equalizes the opportunity for patients of all ages to have access to clinical trials.



# Committee update



*Senators Warren Limmer (R-Maple Grove), left, and Wesley Skoglund (DFL-Minneapolis) consult with each other in the Senate chamber during a recent floor session.*

Photo by David J. Oakes

## Health, Human Services and Corrections Budget Division

### Vets Home Board, DHS bonding discussed

The Health, Human Services and Corrections Budget Division devoted the Tues., Feb. 10, hearing to discussion of bonding proposals for the Veterans Home Board and the Dept. of Human Services State Operated Services.

Dan Williams, Veterans Home Board member, presented the bonding requests for the Veterans Home Board. He said the needs for the various facilities were identified through both formal studies and discussion with veterans. Williams said the main goals identified by the board are

asset preservation, renovation, the development of special care units for Alzheimer's and dementia patients, the development of initiatives and programs for dealing with the growing waiting lists, and leveraging federal funds. The total cost of the bonding needs identified by the board is \$30.9 million. The state portion, Williams said, is \$18.68 million and the federal portion is \$12.253 million. He said the governor has recommended \$7.07 million.

Division Chair Linda Berglin (DFL-Mpls.) said the panel needed to keep in mind the operating costs of facilities. She said, "It doesn't work to build new units and not be able to run them."

Members also heard from Mike Tessneer, State Operated Services, Dept.

of Human Services. He outlined several proposals for the department. Tessneer said the agency is requesting \$6.15 million for upgrading building and facility components to facilitate redevelopment and reuse of surplus Regional Treatment Center properties. In addition, the proposal includes demolition of old, non-functional buildings considered too expensive to redevelop for an alternative reuse.

Tessneer outlined a \$1.014 million proposal for system-wide roof repairs and replacement and a \$5 million proposal for system-wide asset preservation. He said the proposal includes funding to address known safety hazards, health risks and code deficiencies and to maintain and preserve capital investment in state assets.



Tessneer also explained a \$3 million agency request for new facilities for the sex offender treatment program. He said the funds are to be used to develop additional secure bed capacity for individuals committed to the Minnesota sex offender program. He said changes to the Dept. of Corrections referral process is expected to increase the number of referrals by 36 per year. Tessneer said that based on the new rate of admissions and the length of treatment, the population is expected to reach 300 by March 2006, 400 by December 2008 and 500 by October 2011.

### Drugs impacts heard

The effects of drug abuse on the communities in which the drug trade occurs were the focus of the Wed., Feb. 11, meeting of the Health, Human Services and Corrections Budget Division. Panel members, chaired by Sen. Linda Berglin (DFL-Mpls.), heard primarily from residents of two Minneapolis neighborhoods.

Assistant Hennepin County Attorney Gail Baez said people living in high drug traffic zones feel their communities are occupied by a hostile force, even when the traffickers are considered to be low-level users and dealers. She said the drug trade relies on the threat of violence to keep neighborhood residents in fear. One reason data on drug convictions show high departure rates for the duration of sentences is that some prosecutors prefer to maintain the degree of a defendant's offense but negotiate less prison time, Baez said. She urged policymakers not to lower sentencing guidelines, because the guidelines are used as a baseline for negotiations between prosecutors and defense attorneys. Lower guidelines will create a new, lower level of actual sentences, Baez said, "and I'm not certain that would be a healthy thing at all."

Division members also heard from two members of the Minneapolis City Council. Don Samuels and Dean Zimmerman live in the Jordan and Phillips neighborhoods, respectively, which are two of the neighborhoods with the highest levels of drug activity. "We have the luxury of saying that dealing is a nonviolent crime because 98 percent of the people who live around drug dealers will remain silent or apathetic," Samuels said. Brad Pass, Phillips Bloomington Avenue Citizens Patrol, said calling drug

crimes nonviolent tears apart neighborhoods. There is often little to no penalty for buying drugs, said Jordan resident Dennis Wagner. He said buyers often have a lot more to lose by being designated criminals than neighborhood juveniles. "If a local kid gets arrested, that's a step up on his gang ladder," Wagner said.

The panel also heard a report on drug offender sentencing from the Minnesota Sentencing Guidelines Commission. The report is available online: [http://www.msgc.state.mn.us/reports\\_to\\_the\\_legislature.htm](http://www.msgc.state.mn.us/reports_to_the_legislature.htm)

## Higher Education Budget Division

### Higher education requests reviewed

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Tues., Feb. 10, and Thurs., Feb. 12, to consider the capital budget requests for higher education.

The panel heard from representatives of the Dept. of Finance on the governor's recommendation for higher education in general. The governor recommended a bonding level of just over \$162 million for higher education, split between the Minnesota State Colleges and Universities (MnSCU) system and the University of Minnesota. The recommendation for MnSCU totals \$88.6 million, including \$49 million for asset preservation, \$10.2 million for the renovation of Pasteur Hall at Winona State University and \$9.6 million for the renovation of Hagen Hall at Minnesota State University Moorhead.

The governor's recommendation for the University of Minnesota totaled \$76.6 million—\$38.8 million for asset preservation, \$9.3 million for renovation of the Life Science Building at the University of Minnesota-Duluth, \$16 million for the renovation of Kolthoff Hall on the Twin Cities campus and \$13.3 million for the Education Sciences Building on the Twin Cities campus. Representatives of the University also spoke to the division and presented their full list of requests, which totaled \$155.5 million. The full request included 5 additional projects and provided \$52 million more in asset preservation. Division members also heard from MnSCU representatives. The full

request for the system included 32 total projects, as well as asset preservation, for a total of almost \$275 million.

Information about capital budget requests is available from the Dept. of Finance online at: <http://www.budget.state.mn.us/budget/capital/index.shtml>

Specific information about the University of Minnesota's capital budget request is available on the university's website: <http://www1.umn.edu/urelate/govrel/request.html>

Information about MnSCU's capital request is available online: <http://www.mnscu.edu/Media/CapitalBudgetRequest2004.pdf>

## Jobs, Energy and Community Development

### Reports heard

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), devoted the first meeting of the year Mon., Feb. 9, to hearing reports from the Department of Employment and Economic Development.

Members heard first from Howard Glad and Cathy Carlson about employment support for persons with serious mental illness. Glad said, "As a rule, because of the long-term and cyclical nature of serious mental illness, most states have fallen short in services for persons with serious mental illness. However, most persons with serious mental illness express a strong desire to work." Carlson summarized coordinated employability projects. She said the projects are an innovative partnership to improve employment outcomes for persons with serious mental illness.

Carlson said the collaborating partners—rehabilitation services, vocational rehabilitation, extended employment from the Dept. of Employment and Economic Development and the mental health division of the Dept. of Human Services—designed and implemented a successful service delivery program to aid persons with serious mental illness obtain improved employment outcomes. She said the program requires collaboration with local community mental health and community rehabilitation programs to design service delivery systems. Carlson said a total of 35 projects have been

# Committee update

funded in 76 counties, with 31 projects continuing to the present. She said the grants are awarded on a competitive basis for no more than the four year federal limit. The performance based grants require the applicants to establish goals for the number of people to be served and the number of employment outcomes to be achieved, Carlson said.

She said there is also an employment supports component to provide ongoing help for persons who became employed through the time-limited grants.

Carlson said the projects have significantly improved the provision of employment services, with an employment rate of 59 percent. "People with mental illness are a stable workforce when provided with ongoing supports and have a job tenure rate comparable to persons without disabilities in entry level jobs," Carlson concluded.

Members also heard from Steve Hine, research director, Labor Market Informa-

tion Office, on trends in job growth. Hine said, "Although policy makers may disagree on specific decisions, everyone agrees that rational and intelligent decision making requires reliable and accurate information." He said the Labor Market Information Office exists to provide reliable and accurate information about Minnesota's labor market.

In addition, Carrie Thomas representing JOBS NOW Coalition spoke on the coalition's cost of living study in terms of the jobs and wages available in the state. She said, "In our research, 'The Cost of Living in Minnesota,' we identify what a family's basic needs are and what it costs to meet them. The costs are based upon monthly budget requirements necessary to achieve a 'no frills' standard of living."

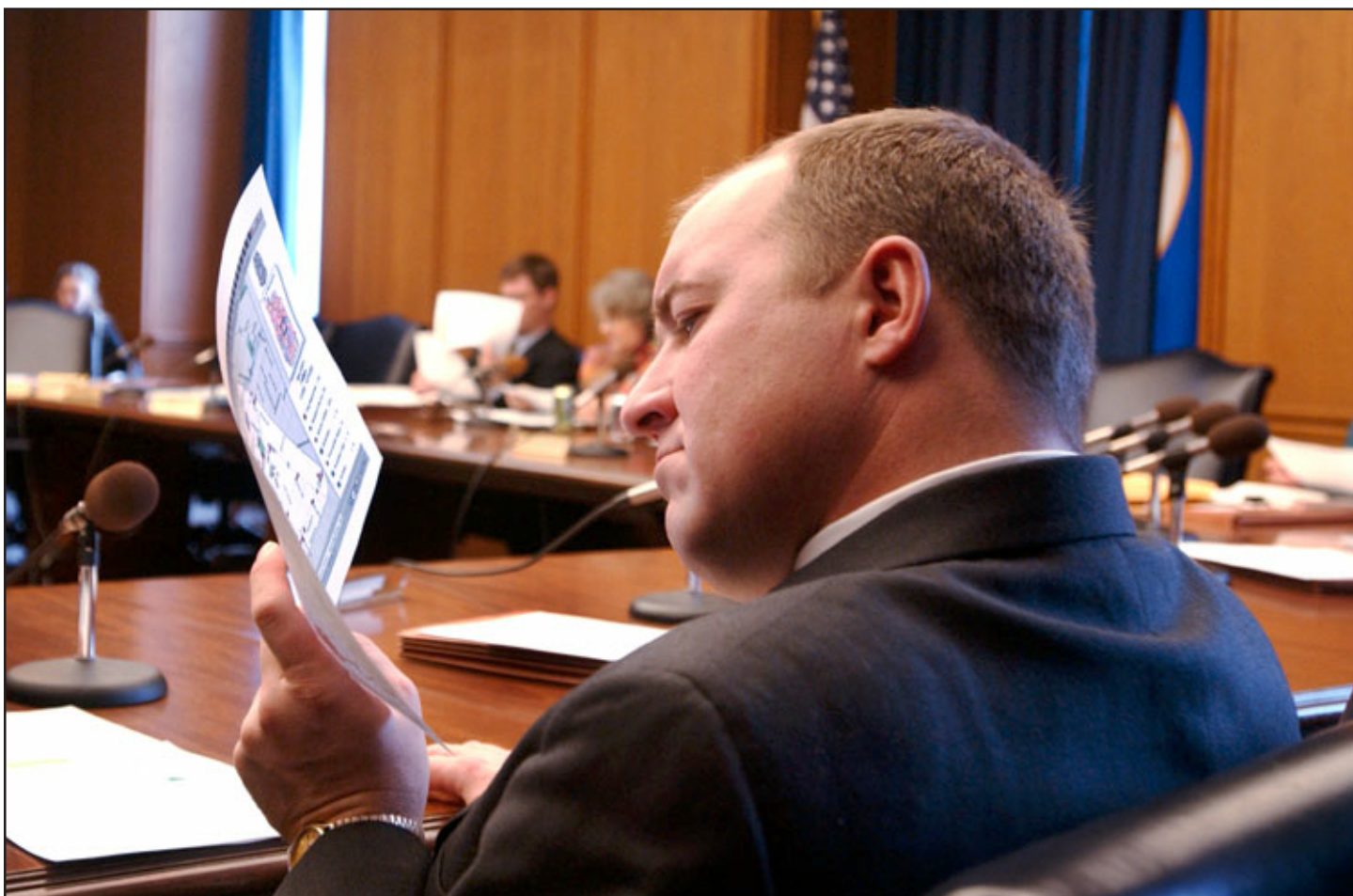
She presented examples from around the state of what families of varying sizes need in wages to meet their basic needs.

## Hydrogen resources discussed

The Wed., Feb. 11, meeting of the Jobs, Energy and Community Development Committee was devoted to discussion of hydrogen energy and European renewable energy programs.

Chair Ellen Anderson (DFL-St. Paul) said the Dept. of Commerce and Dept. of Employment and Economic Development were directed to develop a program to promote and encourage the development of businesses engaged in hydrogen and fuel cell technology. She said the meeting was to hear the report. Edward Garvey, deputy commissioner of commerce, presented the report and its findings.

Garvey said the state's energy policy vision reconciles two often competing goals—maintaining Minnesota's current reliable, low cost electricity and lowering the environmental impacts of the generation and delivery of that energy. He also outlined seven energy policy strategies



**Sen. Paul Koering (R-Fort Ripley) studies a map depicting drug-related crimes in South Minneapolis during a Health, Human Services and Corrections Budget Division hearing, Wed., Feb. 11, as panel members listen to testimony on the impact of drugs in communities.**

Photo by David J. Oakes



and said Minnesota should foster development of renewable hydrogen to reduce environmental effects from traditional energy fuels, to capitalize on Minnesota's natural and human resource base, to generate new, high wage jobs, to get ahead of the competition in developing new processes and technologies and to reverse the economic drain of energy dollars.

Garvey said the state began a voluntary initiative 18 months ago to foster development of renewable hydrogen and fuel cells. He said Minnesota's strength in renewable energy resources gives it a competitive advantage in hydrogen production. In addition, the state needs to develop a hydrogen and fuel cell resource guide to provide resources for interested businesses and to promote projects rather than zones. The state needs to make fuel cells eligible for net metering and to develop codes, standards and rates to facilitate the development of new technologies and their implementation.

Members also heard a report on renewable energy in Europe from members of a delegation, sponsored by the Great Plains Institute for Sustainable Development that toured innovative energy installations in Northern Europe. Sara Bergan, from the institute, said the group focused on learning about cutting edge developments in Europe's energy sector and developing ways to apply those insights to the northern plains region. Other members of the delegation reported on specific energy operations on the tour and ways to adapt the technology in the upper Midwest.

## Judiciary

### Sex offender civil commitment reviewed

The Fri., February 6, meeting of the Judiciary Committee was devoted to a discussion of the civil commitment process for sex offenders. The panel, chaired by Sen. Don Betzold (DFL-Fridley), heard Commissioner Joan Fabian, Dept. of Corrections, and past and current department staff review the past process, the interim process and the proposed process for civil commitments.

Steve Huot, formerly of the Dept. of Corrections and now with the Dept. of Health, told the panel of the Dept. of

Corrections past process. He said civil commitment review began 14 months before release with a review team making a preliminary determination about commitment. Huot said that at three or four months before release the department conducted an end of confinement review of the offender to determine the community notification level. The department has the responsibility for screening the sex offenders in prison and making a preliminary determination whether to forward a case to the county attorney for their consideration of civil commitment, Huot said.

The interim process, reviewed by Harley Nelson, assistant commissioner, Dept. of Corrections, differs in that there are additional members of the review team and that case managers screen offenders with wider parameters to identify cases to forward to the central office. Nelson said the proposed process includes a legal professional on the review team to provide a legal perspective on the determination to forward an offender for civil commitment. In addition, Nelson said the department wants to ensure that all investigative information is available for the department's sex offender evaluations.

Hennepin County Attorney Amy Klobuchar explained the operations of the Hennepin County Attorney's Office in dealing with civil commitment for sex offenders. She said the county has received 107 cases in recent months in contrast to 3 cases the year before. She said the number of cases places a burden on the county when the cases are not received in a timely manner because some offenders have been released from prison and must be housed by the county during the commitment process. In addition, urban counties have a disproportionate number of sex offenders because they have the largest population and because offenders move to urban areas from other parts of the state.

John Kirwin, assistant county attorney, presented the legal history of the civil commitment process. Mark Ponsolle, assistant county attorney, Ramsey County Attorney's Office, presented information about Ramsey County's experience with the civil commitment process.

### Employment references bill approved

Members of the Judiciary Committee approved, Tues., Feb. 10, a bill providing protection to employers providing references to current and former employees. H.F. 480, sponsored by Sen. David Knutson (R-Burnsville), was advanced to the floor.

The issue was before the committee last year, said Committee Chair Don Betzold (DFL-Fridley), and the panel is working off the language agreed to last year. Knutson said the language attempts to accommodate many of the interests involved, including both employers and employees. He said the threat of litigation over references now is too great and many employers have resorted to providing no references at all, but only provide the most basic data about an employee. Such practices, Knutson said, unfairly penalize good employees. Employment attorney Ellen Sampson said many employers now resort to conducting criminal background and credit checks on applicants because they cannot count on getting reliable references about prospective employees. Sampson said application of the measure will create a pattern that protects employers, employees and people who come in contact with employees.

H.F. 480 provides that a cause of action may not be maintained against an employer for disclosing information unless it can be proven by clear and convincing evidence that the information was false and defamatory and that the employer knew or should have known the information was false and acted with malicious intent to injure the current or former employee. The measure protects employers disclosing dates of employment, compensation and wage history, job description and duties and training and education provided by the employer. The bill also protects employers disclosing, in writing only, information relating to acts of violence, theft, harassment or illegal conduct that resulted in disciplinary action or resignation and any employee response to the action. H.F. 480 also extends immunity to employers if the employee authorizes in writing the disclosure of written employee evaluations, written disciplinary warnings and actions in the previous five years and written reasons for separation from employment. The bill requires the

# Committee update

employer to provide the employee with a copy of the information disclosed and to indicate to whom it was disclosed.

Knutson also sponsored S.F. 1745, which contains trust provisions discussed by the committee in 2003, as well as amendments to laws passed last year governing guardians and conservators. The provisions of the bill were proposed by the probate law section of the Minnesota State Bar Association. Members adopted an author's amendment removing a section providing for trusts for the care of animals. Knutson said the Dept. of Human Services and the bar association were unable to reach agreement on the language in the pet trusts section. S.F. 1745 was also advanced to the full Senate.

Sen. Thomas Neuville (R-Northfield) carried S.F. 1621, which provides for certificates of mortgage satisfaction. The certificates must contain information relative to the original mortgage parties and a statement that the assignee is the holder, owner or successor of the mortgagee's interest in the mortgage. Chuck Parsons, legislative committee chair of the real estate section of the bar association, said that because many lending institutions have changed their names or been sold in past 15 or 20 years, homeowners are having a hard time proving their mortgages have been satisfied. The bill validates the thousands of mortgages signed by old entities, he said. The bill was recommended for placement on the Consent Calendar.

## False claims bill gains

The Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met Thurs., Feb. 12, to consider bills dealing with false claims against the state, survey and plat approval and shooting ranges.

S.F. 1121, sponsored by Sen. Leo Foley (DFL-Coon Rapids), establishes the Minnesota False Claims Act. The measure prohibits false claims against the state and sets penalties. Under the bill, anyone who makes a false claim against the state is liable to the state for a civil penalty of not less than \$5,000 and not more than \$10,000, plus 3 times the amount of damages which the state sustains. The bill does provide exceptions that a court may find to relieve the liability. The bill also sets forth the responsibilities of the Attorney General's Office under the measure and specifies that the standard of proof is a preponderance of the evidence. The bill also provides that a judgment in

favor of the state in a criminal proceeding estops the defendant from denying the essential elements of the offense in a civil action.

Deborah Peterson, Attorney General's Office, said the measure is needed as an additional tool against Medicaid fraud. She said the bill's standard of proof is different than current fraud law and will help in the prosecution of false claims against the state. She said a recent case had to be prosecuted in cooperation with federal authorities because Minnesota lacked a false claims statute. However, Julie Brunner, executive director, Minnesota Council of Health Plans, said the bill is unnecessary because of existing fraud laws. "No one can argue with the goal of the bill, but the bill is very broad and allows the state to bring suit without proving damages," Brunner said.

Sen. Thomas Neuville (R-Northfield) said the bill could have many unintended consequences. Sen. Wesley Skoglund (DFL-Mpls.) said that perhaps the measure needed a minimum dollar amount for the false claim. Betzold moved to amend the bill to specify the false claim must be in excess of \$10,000 and to delete the provision concerning estoppel. The amendment was adopted.

Neuville offered an amendment specifying the court may assess not more, rather than not less, two times the amount of damages which the state sustains in cases where at the time a person furnished the state with information about the violation, no criminal or civil action had begun and the person did not have knowledge of an investigation. Sen. Julianne Ortman (R-Chanhassen) said the bill granted extraordinary powers to the attorney general and urged members to vote against the measure. Foley countered that the bill is a necessary tool for the office to use in instances where false claims have been made.

The bill was approved and advanced to the Senate floor on a 6-4 roll call vote.

Members also approved a bill clarifying plat and survey approval requirements. The bill, S.F. 1653, authored by Sen. Yvonne Prettner Solon (DFL-Duluth), provides that in counties that do not have a full-time surveyor, a licensed land surveyor hired by the county may approve plats. The bill was referred to the State and Local Government Operations Committee.

The committee also began work on a bill specifying local government authority in limiting the operation of shooting ranges. S.F. 462, carried by Sen. Jim Vickerman (DFL-Tracy), specifies the circumstances under which a shooting range may be closed or relocated by a local government unit.

Les Bensch, Viking Valley Hunt Club, spoke in support of the measure. He said the bill is an attempt to be proactive, because hunt clubs and shooting ranges that have been in existence for many years are being surrounded by new development. He said the organizations supporting the bill are not opposed to development, but that the shooting ranges were in danger of being driven out of business.

Betzold said the bill contained numerous issues that needed to be dealt with by the committee including standards courts must use, nuisance issues, eminent domain and liability issues. Testimony was heard on the bill but no action was taken because of time limitations.

## K-12 Education Budget Division

### Bonding proposals considered

The K-12 Education Budget Division met Tues., Feb. 10, to consider a variety of bonding proposals for specific schools. All but one of the proposals are included in the governor's bonding recommendation. The exception, S.F. 1608, carried by Sen. Dan Sparks (DFL-Austin), provides for library capital improvement grants. The bill provides \$10 million for grants to renovate or expand an existing building for use as a library or to construct a new library. Under the bill, a public library jurisdiction may apply for a grant of up to \$1 million or 50 percent of the approved costs, whichever is less. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), approved the measure and advanced the bill to the Capital Investment Committee.

Members also approved five additional bills and advanced the measure to the Capital Investment Committee. S.F. 1337, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides \$33 million for a grant to the Red Lake School District for construction and renovation costs for the middle and high school facilities. S.F.



1702, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), provides \$1.065 million for the Grant Magnet School to accommodate a youth and community center. S.F. 1687, sponsored by Sen. Dick Day (R-Owatonna), provides \$7.321 million to the Minnesota State Academies for asset preservation, safety improvements and phase 2 of the Noyes Hall west wing renovation.

S.F. 1754, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides \$3.6 million to the Perpich Center for Arts Education for asset preservation and building renovation. S.F. 1566, carried by Sen. James Metzen (DFL-South St. Paul), provides \$1 million to complete land acquisition for the Crosswinds Arts and Sciences Middle School.

### **School referenda discussed**

The K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), devoted the Wed., Feb. 11, meeting to a discussion of school referenda. The discussion began with Tom Melcher, Dept. of Education, outlining the trends in referenda elections since 1986.

Melcher said the number of districts has decreased because of consolidation, but the number of districts with referendum authority has increased over time. Melcher said in 1986, 47.1 percent of all districts had referendum authority and in 2005 87.2 percent of the districts have the authority. Referendum revenue has also increased over time from \$87.7 million in 1986 to \$824.4 million for 2005, he said. The revenue per student has grown to \$609 in 2005, Melcher said.

Melcher said there has been a trend toward more referendum elections in the last three years. The success of the elections depends on a variety of factors, he said, ranging from what is happening to property taxes overall to the relationship of the general education formula to inflation. He said in 2001 referenda elections were more successful in rural districts than in suburban districts, but the next year the results were flip-flopped. He said the rate of successful elections has ranged between 44.9 percent in 1996 to a high of 86.7 percent in 1995. In 2003, 90 districts had referendum questions on the ballot and 66.7 percent were successful, Melcher said.

Members then heard from Bob Meeks, Minnesota School Board Association, and from members of several school boards.

## **State and Local Government Operations**

### **Commissioner approved**

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), met Mon., Feb. 9, to consider the appointment of Brian Lamb as commissioner of the Dept. of Administration and to take action on one housekeeping bill.

Lamb's appointment was approved after several members spoke in support of the appointment.

H.F. 1064, authored by Sen. Betsey Wergin (R-Princeton), makes numerous technical and housekeeping changes relating to state employees. The measure allows state agencies to hire additional unclassified personnel, if the position reports to an assistant agency head, in addition to other criteria. Current law allows additional personnel to be hired if the position reports directly to an agency head or deputy agency head, in addition to other criteria. Other sections of the measure change the description of services provided through the employee assistance program from "diagnostic and referral services" to "assessment and training services." The bill was approved and advanced to the Senate floor.

## **State Government Budget Division**

### **Bonding requests reviewed**

Three agencies presented their capital budget requests to members of the State Government Budget Division, Tues., Feb. 10. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), heard from the Dept. of Military Affairs, the Capitol Area Architectural Planning Board and the Dept. of Administration. In addition, division members considered the bonding requests of political subdivisions.

The Dept. of Administration requested a total of \$64.8 million for 2004, including \$40.5 million in general obligation bonds. The governor's recommendation for the department was a total of \$47.6 million, including \$26.9 million

in general obligation bonds. The Capitol Area Architectural Planning Board requested a total of \$5.6 million in 2004, including \$4.3 million in general obligation bonds; the governor's recommendation for the board was a total of \$1.87 million, all in general obligation bonds.

The 2004 request of the Dept. of Military Affairs was for \$7.3 million, all in general obligation bonds. The governor's recommendation was \$5 million. Grants requested by political subdivisions in 2004 totaled \$322 million, including \$318 million in general obligation bonds; the governor recommended \$16.9 million, entirely in general obligation bonds.

Information about capital budget requests can be found online at: <http://www.budget.state.mn.us/budget/capital/index.shtml>

### **Crime victim services discussed**

The State Government Budget Division devoted the Wed., Feb. 11, hearing to a discussion on crime victim's services and funding of the services. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), heard first from Mary Ellison, executive director of Crime Victim Services, Dept. of Public Safety.

Ellison said the new Office of Justice Programs brings together programs formerly operated through five separate agencies. She said the goal of the new office is to improve the effectiveness of state government's criminal justice planning and grant administration activities. Ellison said in the past there were funding disparities between various areas of the state and that the department undertook a redesign of the funding distribution process. She said the agency involved people at the local level in the redesign. As a result, the new design provides for distributing funds by judicial district under a formula involving a variety of data elements such as population and other information.

Ellison also provided information on the grant programs and the services provided by the Crime Victim Services Unit. The Crime Victim Services Unit provides assistance to crime victims in four program areas—crime victim reparations, grants to local programs, training and communication and crime victim justice. The crime victim reparations unit provides victims and families direct compensation for losses as a result

# Committee update

of violent crime. The grants to local programs provide funding for sexual assault, general crime, battered women's and child abuse victim support and advocacy programs. The training and communications program provides training to criminal justice professionals and the crime victim justice program helps victims in navigating the criminal justice system.

Ranum said last year's budget contained a 46 percent general fund cut for services and asked the individuals scheduled to speak to explain the impact of the cuts. Members heard from groups providing services and from individuals who have accessed the services.

Chief Judge Kevin Burke, Hennepin County, spoke on the incidence of domestic violence and the need for a meaningful long-term program of reducing the level of domestic violence in the state. The panel also heard from Linda Riddle, service provider from southeast Minnesota; Louise Seliski, battered women service provider, northwest Minnesota; Kaarin Long, Minnesota Coalition Against Sexual Assault; Eileen Hudon, Clan Star; Luci Banks, executive director, Minnesota General Crime Victims Coalition; Cami Bruder, director, Winona County Victim Services Program and Barb Hermanson, executive director, Fillmore Family Resources. In addition, individuals who have experienced domestic violence also spoke on the services they received. The speakers outlined the services needed, the services provided and the need for continued funding.

## Taxes

### Prohibition on deduction of fines approved

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved for inclusion in the omnibus tax bill a measure prohibiting the deduction of fines and penalties as ordinary and necessary business expenses. The panel, meeting Tues., Feb. 10, also approved for inclusion a bill providing a sales tax exemption for a project in Champlin.

S.F. 1624, authored by Sen. John Marty (DFL-Roseville), prohibits the deduction from taxable income for payment of any fine, penalty, damages or

expenses to a federal, state or local government entity or the government of a foreign country. The bill includes in the definition of "fine, penalty, damages or expenses" any amount paid pursuant to a conviction for any crime, paid as a civil penalty, paid in settlement of a civil or criminal penalty, forfeited as collateral or legal fees incurred in court proceedings related to the imposition of the fine. However, the measure permits the deduction of legal fees if the final determination of a civil or criminal proceeding is in favor of the taxpayer.

Sen. Leo Foley (DFL-Coon Rapids) sponsored S.F. 261, which exempts from the sales tax purchases of materials and supplies for the construction of a pedestrian overpass of U.S. Highway 169 in Champlin. Total state revenue losses are estimated at \$50,000 in FY 04-05.

Committee members also heard from Commissioner Dan Salomone on a Dept. of Revenue study on local sales and use taxes. Salomone reviewed the history of sales taxation in Minnesota, the policy implications of local sales taxes and the process that should be used when granting authority for local sales taxes. Representatives of local governments and government associations also responded to the study. The full study is available from the department's website: [http://www.taxes.state.mn.us/taxes/legal\\_policy/research\\_reports/content/local\\_sales\\_tax\\_study.pdf](http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/content/local_sales_tax_study.pdf)

## Transportation Policy and Budget Division

### Safety technology discussed

The topics of safety technology and congestion pricing dominated the Thurs., Feb. 12, meeting of the Transportation Policy and Budget Division. The hearing, chaired by Sen. Steve Murphy (DFL-Red Wing), began with a presentation by Professor Max Donath, Center of Transportation Studies, University of Minnesota.

Donath said human-centered technology to enhance safety and mobility is the main theme of the presentation and that it encompassed both road- and transit-based transportation. He outlined a program that uses technology to assist snowplow drivers to stay in the proper highway lanes. Drivers are aided by a head-up display that uses an accurate

digital map projected on a virtual screen in front of the vehicle. He also detailed uses of global positioning system. Other technologies include a virtual mirror for buses to eliminate blind zones and wireless communication aids. Donath said that technology can be provided at different levels of intervention, but that technology may redistribute risk rather than reduce risk overall. "By changing the nature of the driving task, we need to verify that the technology does not introduce new risk factors," he said.

Members also heard an update from Lee Munich, Humphrey Institute, on the MnPass project. The project is the conversion of high occupancy vehicle (HOV) lanes to express lanes that permit single occupant drivers to pay a user fee for use of the HOV lanes. He said the I-394 corridor is the first express lane user fee project. The project will include the use of various technologies such as signage, computers, and in-vehicle equipment, Munich said. Munich said carpoolers and bus users will still have free access and priority use of the lanes. The collection of the user fee will be automated and there will not be toll booths along I-394, he said. Munich said it is anticipated that the project will begin operation by the end of this year.

## Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm> (Requires Real Player.)

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0209.htm>



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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Nine-year-old Sara Dominicak of Maple Grove fills out a special ballot in the Capitol Rotunda, Mon., Feb. 16, as part of “Girls Rock the Capitol,” an educational day for girls to learn about the legislative process, sponsored by the Minnesota Women’s Consortium.*

*Photo by David J. Oakes*



February 20, 2004

# Senate Highlights

## Appointees confirmed

Senators met Presidents Day, Mon., Feb. 16, to confirm several appointments made by the governor. Members confirmed two commissioners: Gene Merriam for the Department of Natural Resources and Brian Lamb for the Department of Administration. Keith Langmo, Marcus Marsh and Chester Wilander were also confirmed as members of the board of the Pollution Control Agency.

Another appointment, that of Peter Bell as chair of the Metropolitan Council, was re-referred back to the State and Local Government Operations Committee. Under Senate Rule 8.2, the appointment was withdrawn from committee after not being acted upon for one year. Sen. Dave Kleis (R-St. Cloud) objected to returning the appointment to committee. "We've had a whole week to have a hearing," since the issue of the one-year deadline first arose, he said. While there may not have been an opportunity in the last week to hold a confirmation hearing, Kleis said, there has been enough time in the last year. However, Assistant Majority Leader Ann Rest (DFL-New Hope) said the rule has been satisfied and a hearing will be held for Bell later in the day. Several more appointments will also need to be re-referred back to committee, she said, if the committee schedule does not permit taking them up before their one year anniversary.

In other action, Senators granted final passage, 63-0, to a measure on the Consent Calendar. Sponsored by Sen. Thomas Neuville (R-Northfield), S.F.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

1621 provides a process for the satisfaction of mortgages if the mortgagee's original name has changed since the mortgage was issued.

## Brief session held

Senators held a brief floor session Thurs., Feb. 19, to process bill introductions and facilitate the movement of bills between committees. In addition, members confirmed the appointment of Glenn Wilson, Jr., as commissioner of the Dept. of Commerce. Sen. Linda Scheid (DFL-Brooklyn Park) said, "Glenn Wilson has had an outstanding career in the business world that he is capping off with public service by agreeing to serve as commissioner." Sen. Mady Reiter (R-Shoreview) and David Gaither (R-Plymouth) also spoke in support of the appointment.

Majority Leader Dean Johnson (DFL-Willmar) spoke briefly on the passing of Senate employee Virginia Sande and led a moment of silence in her memory.

## Appointment fails

The State and Local Government Operations Committee met Mon., Feb. 16, to take action on several gubernatorial appointments. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), approved all the appointments except for that of Annette Meeks to the Metropolitan Council. A motion to not approve her appointment was adopted on a divided voice vote.

Sen. Scott Dibble (DFL-Mpls.) made the motion to not approve because Meeks is the co-author of a report published by her employer, the Center for the American Experiment, that recommended abolishing the Met Council in favor of a regional planning state agency. Sen. Betsy Wergin (R-Princeton) argued against the motion and said that having a member critical of the council is a way to open the council to new directions and ideas. Dibble said the conclusions in the report seem to contradict Meeks seeking a position on the board.

The committee did recommend the confirmation of Peter Bell as chair of the Metropolitan Council. In addition, the appointments of Russ Susag, Peggy Leppik, Natalie Steffen, Georgeanne Hilker, Chris Georgacas, Rick Aguilar, Song Lo Fawcett and Thomas Egan to the Metropolitan Council were approved. The panel also approved the appointment

of Cal Ludeman as commissioner of the Dept. of Employee Relations.

In other action, the committee approved one bill. S.F. 1782, authored by Sen. Jane Ranum (DFL-Mpls.), removes restrictions and eliminates a moratorium on pay equity reporting requirements for local governments. Ranum said that last year the frequency of reporting was changed from once every three years to once every five years and a two-year moratorium on any reporting was put in place. She said the bill restores the law to requiring local governments to report on pay equity once every three years. She said the primary reason is to make sure that no jurisdiction falls out of compliance for too long.

Sue Stout, Minnesota Nurses Association, Pam Helgeson, Pioneerland Library System and Chris Cowen, AFSCME, all spoke in support of the measure. Laura Offerdahl, League of Minnesota Cities, and Keith Carlson, Metropolitan Inter-county Association, spoke in opposition. Carlson said the provision was enacted last year in an attempt to relieve some of the burden on local governments in a time of increasing budget pressures. Cowen, though, said if a local government falls out of compliance, mid-contract corrections can be quite painful and that more frequent reporting assured compliance.

The bill was approved and advanced to the Senate floor.

## Affirmation requirement for No Child Left Behind gains

Two measures responding to the requirements of, and funds provided by, the federal No Child Left Behind Act were heard by members of the Education Committee Tues., Feb. 17. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), also heard a bill addressing bullying in schools.

Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored S.F. 1853, a resolution memorializing Congress to create a waiver provision in the No Child Left Behind Act (NCLB). Stumpf said the federal government has no Constitutional authority for involvement in education, but Article XIII, section 1, of the Minnesota Constitution requires the Legislature "to establish a general and uniform system of public schools [and to] make such provisions by taxation or otherwise as will



secure a thorough and efficient system of public schools throughout the state.” Minnesota has a proven record of high student achievement and school accountability, Stumpf said, and should be able to receive a waiver from some of NCLB’s most onerous and expensive requirements. He also noted that the 1996 federal welfare reform provided waivers and flexibility for states with proven success to encourage innovation. Rep. Betty McCollum (D-Minn.), who represents the St. Paul area in Congress, said public education is being left behind under NCLB. While those who want to modify the law and encourage state innovation are approaching administration officials with proposals, she said, they are being ignored by supporters of NCLB.

“Thorough is the term I would use to describe the failure in this system,” said Warren Grantham, Minnesota Education League. He said the nation has not moved closer to closing the achievement gap since the federal government got involved in education. It is time, Grantham said, for the Legislature to fix public education and encourage accountability. Sen. Gen Olson (R-Minnetrista) said it would be a good thing for the federal government to leave education fully to state and local officials, but states may not have the strength to reject federal dollars. School districts say they welcome increased accountability, said Sen. Jane Ranum (DFL-Mpls.), but they cannot meet standards without more money. “I haven’t seen the commitment from the federal government to closing the achievement gap,” she said. S.F. 1853

was laid on the table for further work and possible amendments.

S.F. 1921, carried by Sen. Michele Bachmann (R-Stillwater), requires all state plans, agreements and contracts associated with NCLB compliance to be nullified and revoked on June 1, 2004, unless the Legislature specifically affirms implementation of the federal law by that date. NCLB passed on a bipartisan vote in Congress, Bachmann said, and the reaction to the law has been equally bipartisan in the states. Ohio officials determined that the state will spend about

National Alliance for the Mentally Ill, spoke to the serious nature of bullying and its emotional, educational and physical effects on students. However, several members of the committee questioned the need to compel districts to address the issue. Sen. David Hann (R-Eden Prairie) said school board members are accountable to parents and aware of the problems with bullying. Grace Schwab, a former Senator, said the Minnesota School Boards Association has a model policy on bullying for districts to use. S.F. 831 was laid on the table.



***In his new role as Majority Leader, Senator Dean E. Johnson (DFL-Willmar) leads discussion in the Senate chamber during a recent floor session.***

Photo by David J. Oakes

\$1.5 billion to comply with NCLB, even though the federal law provides Ohio with only \$44 million, she said. “I am sickened to the point of tears,” Bachmann said, at the statistics on minority graduation rates. With NCLB, we will spend so much money on meeting bureaucratic requirements, Bachmann said, but the money would be far better spent improving education directly. Greg Marcus said the Minnesota Department of Education does not take positions on legislative proposals, but does have some fiscal concerns with the bill, including details relating to the non-alignment of the state and federal fiscal years. The measure was provisionally approved for inclusion in the omnibus education policy bill. Kelley said he is disinclined to send out any solitary policy initiatives, but also noted that if legislative affirmation of NCLB compliance were to occur, it might come in the same omnibus bill as the requirement.

Sen. Satveer Chaudhary (DFL-Minneapolis) carried a bill, S.F. 831, requiring school districts to implement a policy on bullying and intimidation of students. Carrie Asmus, Minnesota School Counselors Association, and Sue Abderholden,

# Committee update

## Agriculture, Veterans and Gaming

### Status of gambling reviewed

Current gambling activity in Minnesota was the focus of the Mon., Feb. 16, meeting of the Agriculture, Veterans and Gaming Committee. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), also advanced the appointments of members of two gambling oversight boards.

John McCarthy, Minnesota Indian Gaming Association, said tribal casinos contribute enormously to the state economy. He cited the construction, supplies and jobs required to build and operate casinos. Tribal casinos, McCarthy said, are the ninth largest employer in the state, with 78 percent of casino jobs located in Greater Minnesota. Seventy percent of employees are not tribal members, he said. McCarthy challenged the notion that non-Indian Minnesotans got a bad deal with the compacts. The compacts are a good deal for everyone, he

said, since tribal gaming provides assistance and economic stability for a historically underserved population, reduces welfare costs in areas with casinos and participates in the greater economy. Gordon Adams, a Bois Forte tribe board member, said tribal casinos are not expanding gambling in the state. While casinos may be adding slot machines or blackjack tables, the casinos are expanding within the established parameters, as any other business would do if the demand existed, he said. Adams said casinos are also adding non-gaming amenities, such as marinas and golf courses. He urged Senators not to approve plans for non-tribal casinos.

However, Sen. Betsy Wergin (R-Princeton) said she was more concerned about the protectionist attitude of the tribes after hearing their testimony than she was before the hearing. The gaming association is putting one group over all other Minnesotans at any cost, she said. Wergin said she didn't know how the same business, casino gaming, could be a

bad thing if offered privately, since it offers the same economic impacts on a local community. Adams said many casinos outside the Metro Area have regular customers from the Twin Cities and would have to increase their marketing budgets to maintain market share. Casinos will cut jobs before they reduce services to guests, he said.

King Wilson, Allied Charities of Minnesota, briefly reviewed the kinds of games grouped together as lawful gambling in Minnesota, such as bingo and pull tabs, and the charities supported by lawful gambling. Executive Director Tom Barrett provided committee members with a summary of the activities of the Gambling Control Board, the entity overseeing charitable gambling. A similar summary for the Racing Commission was provided by Richard Krueger. Krueger, the commission's executive director, also informed the panel that the commission has received an application for a harness racing facility to be located in the northern Metro Area.



Senators Becky Lourey (DFL-Kerrick), left, and Dallas Sams (DFL-Staples) discuss the details of an amendment to a bill during a recent meeting of the Agriculture, Veterans and Gaming Committee.

Photo by David J. Oakes



Committee members recommended the Senate approve the appointments of seven members of the Gambling Control Board and seven members of the Racing Commission. The appointees to the Gambling Control Board are William Barbknecht, Pat Davies, Gerald E. Dexter, James Hynes, Donald McHale, Peggy Moon and Howard Register. The appointees to the Racing Commission are Darcy Hitesman, Lynn Marvin Johnson, Scott LeDoux, Robert McNamara, Kathleen Preece, William Robinson and Kristine Sundberg.

### **Dangerous animal bill approved**

Members of the Agriculture, Veterans and Gaming Committee devoted the entire Wed., Feb. 18, meeting to discussion of a bill, S.F. 1530, that imposes limits on the ownership and possession of dangerous exotic animals. Sen. Don Betzold (DFL-Fridley), chief author, said the bill is aimed at curbing the commercial trade in exotic animals such as lions, tigers, leopards and other large cats, bears and non-human primates. Exotic animals pose a danger to public health and safety, Betzold said, as well as often resulting in the neglect or abuse of the animal. "Exotic animals such as lions and tigers don't make good pets," Betzold said.

The bill prohibits ownership of the prohibited animals, but allows a person who already possesses an animal to keep the animal if the person complies with federal regulations within 90 days. The measure also requires a person who possesses a prohibited animal to notify the local animal control authority that the person has the animal and requires the person to have a microchip implanted in the animal for identification. The person must also maintain health and ownership records on each animal, display a sign that states there is a dangerous animal on the property, and immediately notify local law enforcement authorities if the animal escapes. The bill outlines steps for seizure of the animal if the possessor does not comply with the law and allows the seized animal to be disposed of if a veterinarian determines the animal is suffering and will not recover. The measure exempts zoos, wildlife sanctuaries, game and fish, research and medical institutions and circuses from the prohibition.

Tammy Quist, Wildcat Sanctuary, spoke in support of the measure and said

the majority of states ban the private possession of exotic animals, have a partial ban or require a permit. Exotic animals pose safety threats to humans and many people who buy animals as pets cannot properly take care of them, she said. Lee Ehmke, executive director, Minnesota Zoo, also spoke in support of the measure. "The bill will create important regulatory controls by imposing limits on ownership and possession of dangerous animals," Ehmke said. He also said private ownership of exotic animals also has implications for conservation of the species. He said exotic animals resulting from indiscriminate breeding are not potential contributors to viable conservation programs because the animal's genetic history is unknown or they are severely inbred.

Opponents of the measure argued that the bill will put some animal tourist attractions out of business. Cindy Jepsen, Responsible Animal Owners Association of Minnesota, said members of the organization support the proper care and regulation of animals. She said exotic animals pose less of a threat within communities than many domesticated animals. Caara Holmstrom, Paul Bunyan's Animal Land, also spoke in opposition. She said, "The bill will put us out of business. We are opposed to the ownership restrictions, the signage requirements and the restrictions on movement." Holmstrom said she takes animals to schools and other public venues and the restrictions on movements would be very cumbersome. Kevin Vogel, Vogel Exotic Animal Shows, said that his family business travel extensively and the bill would force his business to close.

Betzold suggested an amendment, which was adopted, providing that if a registered prohibited animal dies and the death was not caused by neglect or cruelty, the local animal control authority may grant a variance allowing the person to replace the prohibited animal. Betzold said the amendment would allow businesses like Paul Bunyan's Animal Land to continue.

Sen. Steve Dille (R-Dassel) offered an amendment to address the concerns of opponents. The amendment provides that a person who possesses a valid U.S. Dept. of Agriculture license and is in compliance with the USDA Animal Welfare Act may breed, purchase or otherwise acquire new prohibited animals in order

to maintain their current inventory or to sell prohibited animals to other USDA licensed and compliant facilities. The amendment made a number of additional changes, including removing provisions relating to signage, the microchip placement in the animals and the requirement to obtain a permit before moving the animals. Betzold, and other committee members, worked through the amendment with Dille and agreed that some minor language changes are necessary. The amendment was adopted. The bill was approved and advanced to the Judiciary Committee.

### **Commerce**

#### **Liquor bills heard**

The Commerce Subcommittee on Liquor met Wed., Feb. 18, to consider several measures for inclusion in the panel's omnibus liquor bill. The subcommittee, chaired by Sen. Sandra Pappas (DFL-St. Paul), also heard presentations on administrative penalties for alcohol sales to underage persons and small brewer license fees.

S.F. 1783, authored by Sen. Thomas Bakk (DFL-Cook), authorizes an on-sale wine and malt liquor license for Wade Municipal Stadium for use during baseball games and other events sponsored by the Duluth Huskies. S.F. 1821, sponsored by Pappas, changes the issuer of an on-sale license for Minnesota produced wine for sale at the State Fair from the city of St. Paul to Ramsey County. S.F. 2017, carried by Sen. Claire Robling (R-Jordan), provides that the on-sale license for Elko Speedway authorizes sales on all days of the week.

S.F. 1800, authored by Sen. Mark Ourada (R-Buffalo), provides for uniform off-sale hours statewide. Specifically, the bill allows off-sale intoxicating liquor sales until 10 p.m. Monday through Saturday. The measure also allows the on-sale of 3.2 percent malt liquor after 10 a.m. on Sundays. Current law prohibits the sale before noon on Sundays. The measure removes a requirement for a public hearing before a municipality issues a license for on-sales of intoxicating liquor on Sundays and allows the sale beginning at 10 a.m.

All four bills were approved and laid over for inclusion in an omnibus liquor bill.

# Committee update

## Crime Prevention and Public Safety

### Commissioner moves forward

One of the governor's appointees took a step toward confirmation during the Mon., Feb. 16, meeting of the Crime Prevention and Public Safety Committee. Members, chaired by Sen. Leo Foley (DFL-Coon Rapids), recommended the Senate approve the appointment of Joan Fabian to head the Department of Corrections.

Fabian has worked in the corrections field since 1966, when she started in juvenile corrections for Hennepin County. From 1970 until 2003, she worked in Ramsey County, eventually serving as director of the county's corrections operation. Educationally, Fabian has a master's degree in counseling from the University of St. Thomas and an undergraduate degree from the College of St. Catherine. Working at the county level, she was quick to criticize the state's actions, Fabian said, "but now I have seen the light." Without community corrections, however, Minnesota could not have the wonderful state correctional system it has, she said. The state has long been a leader in corrections, Fabian said, and she endeavors to continue in the tradition.

Senators asked Fabian about a full range of programs, future plans and proposals, including MINNCOR Industries, keeping juvenile offenders from growing into adult offenders, double bunking of inmates, psychological and chemical dependency treatment and the death penalty. I have received a lot of unsolicited correspondence from corrections officers saying they appreciate the commissioner and her approach to running the department, said Sen. Dave Kleis (R-St. Cloud). He said the commissioner's job is a difficult one because the Legislature tends to contradict itself in what it expects out of corrections. Sen. David Knutson (R-Burnsville) said Fabian is clearly committed to public service and public safety. "I believe that she is one of the best people to carry out the challenges we face," said Sen. Linda Berglin (DFL-Mpls.).

### Polygraph bill heard

Bills relating to sex offenders were the focus of discussion at the Wed., Feb. 18, meeting of the Crime Prevention and

Public Safety Committee. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), heard the measures and laid them over for inclusion in an omnibus sex offender bill.

The first bill, S.F. 1833, authored by Sen. Jane Ranum (DFL-Mpls.), authorizes the use of polygraphs for sex offenders under community supervisions and requests the development by the courts of a protocol for the use of polygraphs. The bill also allows the court or the commissioner of corrections to order that part or all of the cost of the exam be paid by the offender.

Ranum said the idea for the bill grew out of a conversation with Sen. LeRoy Stumpf (DFL-Thief River Falls) about procedures originating in the Ninth Judicial District. Stumpf said Judge Donald Aandal spoke to him about the use of polygraphs in sex offender treatment. Stumpf said, "Polygraphs are an additional tool that we can afford, to help keep communities safe."

Aandal, Richard Thompson, head of probation, Ninth Judicial District and Mary Underhill, a sex offender treatment practitioner, spoke on the uses of polygraphs as a condition of release or as a probationary intermediate sanction. Underhill said the polygraph is useful in disclosing the extent of an offender's sexual offense history. Thompson said that in training designed for supervising sex offenders he has learned that the probation staff and treatment staff must work closely together and that the polygraph test is a key to disclosure of the offender's history.

Ranum said the polygraph test helps assess the dangerousness of offenders and protects victims.

Members also discussed a bill, S.F. 1464, providing for lifetime supervision of offenders convicted of a second or subsequent criminal sexual conduct crime in the first through fourth degrees. Chief author, Sen. Thomas Neuville (R-Northfield), said the bill also prohibits the commissioner of corrections from dismissing the conditional release until the person has been on supervised release for at least 20 years and the commissioner has determined the dismissal does not pose a danger to the public. Current law, Neuville said, requires supervised release for 5 years or 10 years for second time offenders or offenders who have received a mandatory upward departure sentence.

Both measures were laid over for possible inclusion in the panel's omnibus sex offender bill.

Members also heard presentations on polygraph tests and on global positioning system technology as it is used in offender monitoring.

## Education

### Governor's initiatives considered

Several of the governor's education proposals were considered by members of the Education Committee, Thurs., Feb. 19. Sen. Steve Kelley (DFL-Hopkins), committee chair, said no action would be taken on the bills, but they would be considered for inclusion in an omnibus education policy bill.

Sen. David Gaither (R-Plymouth) carried S.F. 2135, commonly referred to as the "Super Teachers" proposal. The measure creates a five-year pilot project for low-performing public schools with high numbers of disadvantaged students. Three schools will be selected—one from either Minneapolis or St. Paul, one from the suburban Metro Area and one from Greater Minnesota—by the commissioner of education to participate in the pilot project, under the bill. Schools participating in the pilot project are under the direction of their principals, or teacher cooperatives assuming the responsibilities of principals, in determining educational focus and curriculum, budgets, operating procedures and the hiring of licensed and nonlicensed staff. The bill exempts participating schools from most statutes and rules governing schools. Teachers working at participating schools are held harmless in their employment status with the school district. The bill provides that teachers may receive performance pay, at the discretion of the participating school's principal, with a teacher's annual salary capped at \$100,000, including performance pay. The commissioner of education must report on the progress of the pilot project, including the growth of student academic achievement, to the Legislature by March 1 of each year.

Education is not business, Gaither said, but some market forces are entering the educational arena. Schools are competing for scarce resources, he said, especially students and instructors. Hiring the best people may be the single most important factor in the success of any venture, Gaither said. Deputy Commis-





**Senators Carrie Ruud (R-Breezy Point), left, and Mike McGinn (R-Eagan) converse during a recent floor session.**

Photo by David J. Oakes

sioner Chas Anderson, Dept. of Education, said the bill creates flexibility for schools and creates a site-based management approach in the pilot project schools. Kelley said the many provisions involving consultation with, or the approval of, the commissioner of education are a departure from local control. "What this really looks like to me is the commissioner gets to run three schools," he said. However, Anderson said the commissioner has been given similar authority to oversee other pilot projects. Jim Bartholomew, Minnesota Business Partnership, said the proposal targets needs in underperforming schools.

We already have traditional public schools and charter schools, said Jan Alswager of Education Minnesota, and do

not need this initiative to do anything differently. "Minnesota has thousands of super teachers right now," she said. Minnesota schools have the most qualified staff in the nation, but the state ranks 19th in teacher salary, she said. We need to pay all teachers more, Alswager said, not just a few. Merit pay has already been tried and has proved itself a failure, she said. Learning is affected by a student's home situation, health care and a host of other factors, she said, and laying the responsibility for student achievement all at a teacher's feet is unfair. Alswager said the pilot project encourages uncooperative competition among teachers in participating schools and undermines the trust between teachers and administrators. Curricula will be narrowed and teachers

will focus on tests to raise student achievement, and thus increase their performance pay, she said. Alswager suggested the state focus on things that have already worked, such as rewards available to all teachers and reducing class sizes.

Sen. David Hann (R-Eden Prairie) said he did not think merit pay had been tried in schools. Merit pay works in the private sector, he said, and the proposal is an attempt to see if it can work in the educational setting. Sen. Geoff Michel (R-Edina) said the bill represents a "life preserver to some tough school situations."

We have identified a problem with our schools, Gaither said, and are implementing many solutions. However, he

# Committee update

said, it is clear we have not arrived at the perfect solution yet.

A bill requiring school districts to either provide students with differentiated instruction or to hold students back if the students are missing a high number of school days and performing below grade level was carried by Sen. Mike McGinn (R-Eagan). The measure includes a requirement for parental notification and an appeals process. Assistant Commissioner Mary Ann Nelson, Dept. of Education, said nothing a school can do is more important than to ensure that students have high quality instructors. If a student is not showing up for class, then the school is left with the residue of a student falling behind, she said. Parents need to know there are consequences for missing school, Nelson said. Tom Deans, Minnesota School Boards Association, emphasized the importance of local control. He said districts already hold students back, if necessary, and do so without a cumbersome appeals process.

Sen. Debbie Johnson (R-Ham Lake) sponsored S.F. 2206, which requires summer school for students who do not pass one of the Basic Skills Tests. A passing score on the tests is required for high school graduation. Johnson said requiring summer school lets students catch up before it is too late. S.F. 2158, authored by Sen. Michael Jungbauer (R-East Bethel), expands the Scholars of Distinction program to include mathematics, science, leadership and theater arts. To be designated scholars of distinction in an area, students must show mastery of advanced subject matter and demonstrate applied knowledge and skills.

## Environment and Natural Resources

### MPCA commissioner approved

Members of the Environment and Natural Resources Committee met Wed., Feb. 18, to consider several appointments, including that of Sheryl Corrigan as commissioner of the Minnesota Pollution Control Agency. All of the appointments were advanced to the full Senate for final confirmation.

The other appointees approved included Brian Bensen, Jacqueline Duncanson and Dr. Dan Foley to the Minnesota Pollution Control Agency Board. Seven appointees to the Environ-

ment and Natural Resources Trust Fund Citizens' Advisory Committee were approved: Ann Glumac, David Hartwell, John Kvasnicka, Nalani McCutcheon, Janet McMillan, James Nelson, and Catherine Thayer Nicholson. The committee also approved the appointments of Jonathon Bloomberg, Susan McCarville, Mary Mellen, Bruce Pomier and Paige Winebarger to the Minnesota Environmental Quality Board.

In other action, committee members, chaired by Sen. John Marty (DFL-Roseville), advanced S.F. 1663. The bill, carried by Sen. Thomas Bakk (DFL-Cook), exempts minors from a requirement to provide an applicant's Social Security number on game and fish licenses. The measure was re-referred to the Health and Family Security Committee.

The panel also heard a presentation on the Conservation Reserve Enhancement Program application to the U.S. Department of Agriculture.

## Environment, Agriculture and Economic Development Budget Division

### Historical Society bonding request heard

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staple), continued their review of capital budget requests. The Tues., Feb. 17, hearing was devoted to hearing bonding proposals from the Minnesota Historical Society. In addition, members hear a report detailing the economic impact of the Minnesota Partnership for Biotechnology and Medical Genomics.

The Minnesota Historical Society request was presented by Director Nina Archabal and David Kelliher. The Historical Society is requesting \$16.126 million in bonding, but the governor is recommending \$9.146 million. The society is requesting \$7.167 million for historic sites asset preservation, \$4.754 million for Historic Fort Snelling revitalization, \$2 million for county and local historic preservation grants, \$605,000 for the State Capitol 2005 furnishings project, \$700,000 for Kelley Farm land acquisition, \$400,000 for heritage trails

and \$500,000 for the historic sites network master plan.

The report from the Minnesota Partnership for Biotechnology and Medical Genomics stressed the importance of health care and life sciences on the nation's economy. According to the report there is intense competition among states to develop biotech sectors and Minnesota is currently competitive because of substantial investments already made in biotechnology and medical genomics. The report indicates that Minnesota needs to continue making investments in order to yield long-term economic benefits. The report indicated an economic impact, under a mid-range scenario, of nearly \$300 million annually and almost 1,600 new jobs in 2010.

### Bonding proposals discussed

The Environment, Agriculture and Economic Development Budget Division met Thurs., Feb. 19, to consider the capital budget proposals of the Iron Range Resources and Rehabilitation Board and the Minnesota Housing Finance Agency.

The panel, chaired by Sen. Dallas Sams (DFL-Staples), heard from IRRRB director of administrative services Don Dicklich and from representatives of several projects requesting funding. The board is requesting funds to continue building the Mesabi Trail and for maintenance and preservation of facilities at Giants Ridge Golf and Ski Resort and Ironworld Discovery Center.

As part of an initiative to combat homelessness, the governor has earmarked \$20 million for the Minnesota Housing Finance Agency for permanent supportive housing, said Tim Marx. The funds are to be used for loans and grants for publicly owned permanent rental housing for persons who have been without a permanent residence for at least 12 months or on at least four occasions in the last 3 years or are at significant risk of lacking a permanent residence. The governor's proposal specifies that the housing must provide or coordinate with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment. It is estimated that half of the funds will be used in Greater Minnesota and the funds will assist in the construction, acquisition and rehabilitation of between 260 and 530 units of housing.



## Health and Family Security

### Credentials verification requirement approved

A requirement for graduates of foreign medical schools to have their credentials verified was approved by members of the Health and Family Security Committee, Tues., Feb. 17. S.F. 1715, sponsored by Sen. Steve Kelley (DFL-Hopkins), requires foreign-trained physicians to use the Federation Credentials Verification Service operated by the Federation of State Medical Boards. The bill was sent to the Senate floor.

Committee members also heard testimony on recovery of Medical Assistance (MA) costs from the estates of MA recipients, on fees charged to recipients of human services programs and on Minnesota Family Investment Program grant reductions. State policies in the areas were enacted during 2003 and bills repealing or modifying the provisions—S.F. 1699, sponsored by Committee Chair Becky Lourey (DFL-Kerrick), and S.F. 1991, carried by Sen. Linda Berglin (DFL-Mpls.)—were before the committee. No action was taken on either measure.

Eileen Roberts, a professor at William Mitchell College of Law, said state policy regarding the recovery of MA costs from the estates of service recipients effectively constitutes a taking of private property for a public purpose and may be unconstitutional. The law is doubly troubling, she said, because it applies retroactively to estates planned before the law was enacted. However, Sen. Sheila Kiscaden (IP-Rochester) said people choose to apply for MA. The arrangement should be similar to entering into an agreement or a contract for public services, Kiscaden said, and not a taking of property. At the time a person applies for MA benefits, it is reasonable to expect the value of the applicant's estate to be available to pay for the costs of providing care, she said. Several members of families with estates that could be affected by the MA cost recovery law said it was unfair to change the law on them after estates had been planned. Marina Vork, a former county human services director, said previous experience with using liens on estates to recover costs of care shows a disincentive among the elderly to using alternative care options.

The Dept. of Human Services has never foreclosed on a payment with an

MA lien attached, said Joe Rubinstein. Rubinstein, a department staff attorney, said DHS has a file-and-forget policy. All decisions relating to the sale of the property are left to the owners, he said. Once the owners decide to sell, Rubinstein said, the state attempts to recover costs. If the value of the services received is greater than the value of the estate, the department writes off the balance, he said. He also noted the law provides for liens to last only 10 years, with an option for the department to renew the lien for an additional 10 years. Rubinstein said some families may be eligible for exceptions, including one for children living in the home providing care for their parents. The department is committed to ensuring a clear, accurate understanding of the cost recovery law, he said. Kiscaden said Rubinstein's statements make it clear the issue is communicating reality to families and counties, not the underlying policy. The bills overreach and throw out a good policy, she said.

### Pharmaceutical bills advance

Members of the Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), dedicated their Thurs., Feb. 19, hearing to consideration of four bills relating to prescription drugs.

S.F. 2189, authored by Sen. Sandra Pappas (DFL-St. Paul), modifies the ban on gifts to medical practitioners from drug manufacturers. The measure lowers, from \$50 to \$20, the retail value of items that must be considered as gifts and narrows the list of what is not considered a gift. The bill also expands the prohibition to include practitioners' families and employees and others who could influence a practitioner's decision regarding prescription drugs and provides enforcement authority to the attorney general. Pappas said current law lacked enforcement and clear penalties. There is a high potential for fraud and abuse in the relationship between pharmaceutical manufacturers and physicians, Pappas said. Jack Geisser, Pharmaceutical Research and Manufacturers of America (PhRMA), said the bill has a chilling impact on the health care delivery system and effectively prohibits the payment of rebates and discounts to institutions. He noted the bill provides for the revocation of licenses for drug manufacturers as part of the enforcement powers. Excluding a

manufacturer from Minnesota has serious impacts on patients, Geisser said, denying them access to needed drugs. Sen. Brian LeClair (R-Woodbury) offered an amendment deleting all of the bill's provisions except the enforcement language. The amendment was defeated. S.F. 2189 was advanced to the Judiciary Committee.

Sen. Linda Berglin (DFL-Mpls.) carried S.F. 1857, which eliminates requirements for county social service agencies to coordinate prescription drug programs with state agencies and reinstates coverage under the prescription drug program for drugs that may be covered under an assistance program offered by a manufacturer. The measure was re-referred to the Finance Committee.

Sen. Yvonne Prettner Solon (DFL-Duluth) sponsored two bills. S.F. 1650 requires pharmaceutical manufacturers to disclose pricing data to the Board of Pharmacy and the Dept. of Human Services as a condition of licensure. The pricing data mandated by the bill includes the average wholesale price, wholesale acquisition cost, average manufacturer price and Medicaid best price of each drug. Assistant Attorney General Michael Vanselow said many lawsuits have been brought against drug companies regarding their pricing information and attempts to defraud Medicare and consumers. In the last two and a half years, he said, the federal government and the states have recovered almost \$2 billion. S.F. 1650 does not control, fix or set prices, Vanselow said. Geisser said the bill concerns confidential and proprietary data that the industry takes seriously. The information is already reported to the federal government and obtained by private data banks, he said. The provisions in the bill protecting the reported data as nonpublic information, Geisser said, are not strong enough. He urged the panel to reject the measure. Markets work more efficiently with full disclosure of information, Sen. Steve Kelley (DFL-Hopkins) said. The only reason to protect the pricing data, he said, would be to prevent drug companies from engaging in price fixing. "We should not stifle knowledge and discussion," Lourey said. S.F. 1650 was advanced to the Finance Committee.

A bill establishing four drug bulk purchasing programs was also carried by Solon. S.F. 1966 establishes an intrastate

# Committee update

program consolidating purchasing by Medical Assistance, state hospitals and other state health care facilities, state correctional and educational facilities, the state health plan and other state and local government entities that purchase significant quantities of drugs. The bill also requires the Dept. of Human Services to establish or join an interstate purchasing program, to negotiate with Canadian pharmacies or wholesalers the prices charged to Minnesotans using the state's drug importation program and to establish a public-private intrastate bulk purchasing alliance. Paul Civello, an assistant attorney general, said the bill is a bottom-up initiative requiring the state to be a smart consumer. As a high-volume purchaser of many products, the state is expected to negotiate the best deal it can, he said.

Several representatives of business organizations expressed concerns with the bill. Liz Carpenter, representing the Minnesota Pharmacists Association, said pharmacists are not allowed to participate in any drug importation program. It is not considered a legal activity by either the federal government or insurance carriers, she said. Carpenter and Buzz Anderson, Minnesota Retailers Association, said policymakers should focus on changes that can be made to the current system and providing consumers with full information about drug costs. A bulk purchasing program forces a wide range of consumers into a one-size-fits-all system, said Julie Corcoran of PhRMA. The individual programs being consolidated into the intrastate program, she said, tailor their drug purchasing with an eye toward the populations they serve. Corcoran also raised issues with the importation provisions. "We have the safest distribution system of pharmaceuticals in the world," she said. The bill was laid on the table.

## Health, Human Services and Corrections Budget Division

### Medicare law impacts discussed

Members of the Health, Human Services and Corrections Budget Division turned their attention, Tues., Feb. 17, to the effects of changes made to Medicare during the interim. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), heard from state agency officials and representatives of health plans.



*Three-year-old Amelia Merfeld of St. Louis Park dances to the music of the Teddy Bear Band in the Capitol Rotunda, Thurs., Feb. 19, during "Voices for Children Advocacy Day 2004."*

Photo by David J. Oakes

Assistant Commissioner Brian Osberg and Mary Kennedy, Dept. of Human Services, summarized the changes made to Medicare, including the addition of a prescription drug benefit. Scott Leitz, Dept. of Health, said the changes affect many Minnesotans, since 13 percent of the state's population gets its primary coverage through Medicare. Representatives of HealthPartners, Blue Plus, UCare and Medica discussed the difficulties the law poses to them, including an unequal regulatory structure, barriers to competitiveness and prohibitions to wrapping the "donut hole" gap in the prescription drug benefit.

### Medicaid waiver report heard

A presentation of the Legislative Auditor's Report on Medicaid Home and Community Based Waivers provided the focal point for discussion at the Wed., Feb. 18, meeting of the Health, Human Services and Corrections Budget Division. The panel heard a brief introduction by Legislative Auditor James Nobles who said the report brings into focus difficult choices. Jody Hauer, Legislative Auditor's Office, presented the report summary.

Hauer said Minnesota has five Medicaid waiver programs—mental retardation or related conditions waiver, elderly waiver, community alternatives for disabled individuals waiver, traumatic

brain injury waiver and community alternative care waiver. Hauer said the waiver programs provide community alternatives to care in facilities such as nursing homes, hospitals and intermediate care facilities. She said during the past 12 years, total spending on the five programs grew at an average annual rate of 23 percent and that caseload growth was the primary factor driving costs. Hauer said the spending per recipient under the mental retardation or related conditions waiver program has been lower than costs per recipient for institutional care but that the savings are more than offset by increased spending because of caseload growth. She said Minnesota spent about \$1 billion in FY 2003 for the waiver programs and that the mental retardation or related conditions waiver program accounted for about \$799 million of the total.

Hauer said the report also examined the allocation process for the waiver programs. The method for allocating funds is based on prior-year spending plus adjustments and that amounts for reserve accounts were allocated as part of county budgets, she said. The report found that the allocation method does not allocate resources in proportion to the needs of counties' caseloads, that prudent spenders receive lower allocations and that allocation does not respond to changes in caseload needs.



Hauer said the report concluded that pressure for increased spending will continue, the department should modify its method of allocating mental retardation and related condition waiver funds, the department should set additional controls for appropriate spending and the department should evaluate county compliance with state rules.

The panel also heard the Dept. Human Services response to the report from Shirley York, director, Disability Services Division. York said the agency appreciated the efforts of the Legislative Auditor's Office to really understand the intricacies of the waiver programs. She said that the programs have achieved the major policy goal of maintaining community alternatives speaks well for the programs. She said the challenge is that the waiver programs are very fast-growing, but the department also reviewed the programs to see what administrative changes need to be made. York said the auditor's report and findings are consistent with the department's review and the agency intends to follow the recommendations.

Members also heard a presentation on the provider tax hospital cost benefits study by Lynn Blewett, Ph.D., University of Minnesota School of Public Health.

## Higher Education Budget Division

### Auditor's reports heard

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Tues., Feb. 17, to hear two program evaluation reports prepared by the Office of the Legislative Auditor. Both reports were requested by the Legislative Audit Commission.

The first report, initially released in September 2003, focuses on tuition reciprocity. Minnesota has tuition reciprocity agreements with three surrounding states: Wisconsin, North Dakota and South Dakota. The Office of the Legislative Auditor (OLA) found that South Dakota has not made a payment to Minnesota in recent years, contrary to the requirements of original agreement. The report also indicates that students from Wisconsin usually pay tuition rates at Minnesota schools that are less than those paid by Minnesota residents at the same

schools. OLA staff also surveyed Minnesotans about why they chose to leave the state for higher education. According to the report, Minnesotans cited academic preferences more than other factors as an important reason they decided to attend school outside Minnesota, however, most Minnesotans who attended school in a reciprocity state said that they would not have been willing to pay nonresident tuition to attend that school. There has been a modest net outflow of reciprocity students from Minnesota to states with which Minnesota has tuition reciprocity agreements, but a significant percentage of departing students return to Minnesota to work after graduating from college, according to the report.

Compensation of faculty and staff at the University of Minnesota was the focus of the second report, released Feb. 17. OLA staff found that about 67 percent of total University expenditures, or about \$1.4 billion, were devoted to salaries and benefits for faculty, staff and student workers in FY 2003. The report also examines the comparison groups used by the University to evaluate faculty compensation. In 2002-03, the average compensation of faculty at the Twin Cities campus was 3 to 11 percent below the average of its comparison group, compensation at the Morris campus was 3 to 6 percent above its comparison group average and compensation at the Duluth and Crookston campuses was 8 to 31 percent higher than comparison group averages, according to the report. OLA staff also compared the salaries of upper-level administrators and professionals at each campus, finding them to be comparable to the average of similar higher education institutions.

Copies of both reports are available online from the OLA: <http://www.auditor.leg.state.mn.us/ped/stud-chr.htm>

## Jobs, Energy and Community Development

### International economic development zones discussed

The topic of international economic development zones dominated the Mon., Feb. 16, meeting of the Jobs, Energy and Community Development Committee. S.F. 1801, sponsored by Sen. Ann Rest (DFL-New Hope), provides for the

designation of an international economic development zone. The bill also provides tax incentives to promote the development of a regional distribution center for the international shipment of freight.

Rest said the bill is modeled after the JOBZ bill that was enacted last year. Morrie Anderson, representing Capitol Gains, said the measure could help provide access to global markets for Minnesota businesses and for businesses throughout the upper Midwest. Anderson said, currently, Minnesota goods are trucked to Chicago for international shipment, but that up to five flights a week could originate from Minnesota with the creation of a regional distribution center. Foreign trade zones are a federal program administered by a local authority along with U.S. Customs, Anderson said. The Greater Metropolitan Area Foreign Trade Zone is a joint powers commission comprised of Hennepin County, Minneapolis, Bloomington, the Metropolitan Airports Commission and Rosemount, he said.

He said the proposal would lead to an increase and restoration in competitiveness in global markets, provide quality job creation and retention and provide a national homeland security model for air cargo shipments.

Members questioned the jobs credit contained in the bill as well as a number of the concepts underlying the measure. Rest said she would be amenable to including language requiring jobs to pay a livable wage to be eligible for the credit. The bill was laid over in order to allow time for amendments to be drafted.

The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), approved two additional bills and advanced the measures to the floor. S.F. 1753, sponsored by Anderson, modifies the low-income electric rate discount program. Anderson said the bill targets aid to those in the most need and is a more effective and efficient way to use the dollars. The bill specifies that the affordability program be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments and lower costs associated with collection activities. In addition, for low-income customers who are 62 years of age or older or disabled, the program must, in addition to any other program benefits, include a 50

# Committee update

percent electric rate discount on the first 300 kilowatt hours consumed in a billing period.

The second measure, S.F. 1818, sponsored by Sen. Warren Limmer (R-Maple Grove), requires locks or other security devices to ensure privacy for nursing mothers in the workplace. Diane Cushman, Legislative Commission on the Economic Status of Women, spoke in support of the measure.

Anderson, the original sponsor of the bill requiring lactation rooms at the workplace, said she hears from women from all over the country about the need for lactation rooms. She said that though the law has been in effect for seven years, there are still problems. She drafted and Sen. Thomas Bakk (DFL-Cook) offered, an amendment requiring employers to make reasonable efforts to make employees aware of the law. Anderson said she did not want to make the amendment too onerous for employers. Mike Hickey, National Federation of Independent Business, said the amendment made the bill too restrictive. Sen. John Hottinger (DFL-St. Peter) argued that it wasn't unreasonable to have employers tell their employees about a facility for the employees. The amendment was adopted. The measure was advanced to the full Senate.

## Int'l development zones gain

Members of the Jobs, Energy and Community Development Committee resumed consideration of S.F. 1801 at their Wed., Feb. 18, meeting. The panel approved the measure and forwarded it to the Finance Committee.

At the suggestion of Sen. Ann Rest (DFL-New Hope), the bill's chief author, members deleted a section of the bill providing state aid for communities in which an international economic development zone is located. Members also considered four other amendments dealing with issues raised at the bill's previous hearing before the panel. Sen. David Senjem (R-Rochester) offered an amendment requiring the Dept. of Employment and Economic Development to study the desirability of having more than one international economic development zone in the state. An amendment offered by Sen. Steve Kelley (DFL-Hopkins) requires the preparation of a business plan examining the economic feasibility of the regional distribution center before the zone is designated. Sen.

John Hottinger (DFL-St. Peter) offered an amendment clarifying that tax exemptions, job credits and tax increment financing provided under the bill are business subsidies. The amendment makes the bill consist with the JOBZ legislation approved last year, Hottinger said.

Committee Chair Ellen Anderson (DFL-St. Paul) offered an amendment requiring employers in the zone to pay their employees a wage of at least 110 percent of federal poverty guidelines for a family of four. "This is a moderate living wage requirement," Anderson said, and with such large tax breaks for the zone, jobs should be above the minimum wage. Tom Hesse, Minnesota Chamber of Commerce, spoke against the amendment. He said the provisions of the business subsidy law are enough to protect the state's and employees' interests in ensuring good wages. All four amendments were adopted.

In other action, committee members heard an overview of telecommunications issues from a variety of speakers, including Assistant Commerce Commissioner Edward Garvey and Milda Hedblom, director of the Telecommunications and Information Society Policy Forum at the University of Minnesota.

## Judiciary

### Corporate law bills okayed

The Judiciary Committee met Tues., Feb. 17, and took action on several bills making changes in Minnesota's corporate laws. The first measure before the committee, S.F. 1850, authored by Sen. Steve Kelley (DFL-Hopkins), extends the Electronic Real Estate Recording Task Force until 2006. The task force, which had been extended from 2003 to 2004, needs the additional time to complete its work, Kelley said. He said Minnesota is the first state in the nation to take a comprehensive look at electronic real estate recording on a statewide basis and is leading the nation in addressing the topic. The measure also extends the real estate filing surcharge that is used to fund the task force, Kelley said. The measure was approved and advanced to the State and Local Government Operations Committee.

Kelley also sponsored S.F. 1829, a bill making technical changes to laws regulating the organization, structure and governance of business partnerships.

Kelley said the bill makes it easier for corporations to conduct their work, while continuing to protect the rights of minority shareholders. The measure incorporates recommendations from the business law section of the bar association and makes no substantive changes, Kelley said. The measure was approved and advanced to the Finance Committee.

S.F. 1803, authored by Sen. John Hottinger (DFL-St. Peter), enacts and modifies the Uniform Limited Partnership Act of 2001. Hottinger said the bill creates a stand alone Limited Partnership Act by making changes that delink limited partnerships from the general partnership act and the Revised Uniform Partnership Act. The measure was also approved and advanced to the Finance Committee.

The committee also approved a bill enacting revisions to the Uniform Commercial Code Article 1 and Article 7. The measure, carried by Committee Chair Don Betzold (DFL-Fridley), incorporates recommendations made by the National Conference of Commissioners on Uniform Laws, Betzold said. The bill was approved and advanced to the Senate floor.

The final bill heard by the committee generated considerable discussion. The measure, S.F. 1233, authored by Sen. Julianne Ortman (R-Chanhassen), allows a person to bring actions to compel the state or a local unit of government to commence condemnation proceedings if the state enters into a market for goods or services that forces the person out of business. Ortman said there has been a movement by cities and counties into garbage collection. The bill, Ortman said, allows a business to sue if a governmental unit enters a market and forecloses an existing business from the market.

When the government enters a market, it is no longer an open market, Ortman said and businesses that are forced from the market should have some recourse. Chuck Wegner, DFI Waste Systems of North America, Inc., said many trash haulers are family owned businesses and when government displaces a business there should be a forum to determine if damages have occurred. Don Williamson, a garbage hauler from Willmar, said that a county threatened to put him out of business.

Opponents of the measure said local units of government are not interested in



putting people out of business. Keith Carlson, Metro Inter-county Association, said there are many other activities that could be impacted by the bill. Carlson said the bill could affect the delivery of health and social services, corrections services and recreational services in addition to solid waste management. He said the bill has potential liability for taxpayers because local units of government must be able to maintain a consistent waste stream to incineration and refuse derived fuel facilities. Carlson said a court ruling prevents counties from requiring all waste haulers to deliver waste to county facilities.

Committee members also expressed concern that the measure is too broad. The bill was laid over in order for Ortman to continue working on the measure.

### **Child support bill reviewed**

A major bill recodifying and modifying laws relating to marriage dissolution and child support was discussed at the Thurs., Feb. 19, meeting of the Judiciary Committee. Sen. Thomas Neuville (R-Northfield) said the bill, H.F. 778, was on the Senate floor at the end of last session and was returned to the committee at the beginning of this session. He said that over the course of the interim he continued to work on the bill and had prepared a number of amendments to deal with issues brought forward by interested parties. Neuville said he wanted to distribute the amendments and receive comment before taking any formal action.

Neuville said the bill is primarily a recodification of the laws dealing with divorce, legal separation, annulment, maintenance, property division, custody, parenting time and visitation. In addition, the measure incorporates a new "income shares" model for the child support guidelines.

The amendments Neuville distributed deal with a range of issues. "I want the bill to be fair and balanced," he said and urged interested parties to contact him with comments. One amendment requires the review of the guidelines every four years and removes the five percent cap on the cost of health care. A second amendment changes a dollar amount, from \$50 to \$75, when it is presumed there has been a substantial change in circumstances and the current order is presumed to be unreasonable if when applied to the parties' current circum-

stances, the presumptive child support amount derived under the bill is at least 20 percent, and at least \$75 per month, higher or lower than the current support order. A third amendment deletes over-the-counter medicines from the definition of unreimbursed medical expenses and specifies that deviation from the presumptive guideline amount is intended to encourage prompt and regular payment of child support and to prevent the impoverishment of either the child or the obligor.

A fourth amendment provides that the court may limit child care expenses to the prevailing amount paid for child care in the city or county of residence of the obligee. Another amendment sets forth objective criteria for the abatement of support arrearages. A sixth amendment clarifies that the court shall presume that a subsequent order for support automatically supersedes a previous order relating to the same obligor and child. A seventh amendment directs the commissioner of human services to enter into a contract for an analysis of the child support guidelines to determine whether the guidelines fairly represent the cost of raising children, whether the standards for medical support and child care fairly apportion the costs between parents and whether the guidelines fairly reflect each parent's ability to provide basic housing needs.

Committee Chair Don Betzold (DFL-Fridley) offered an amendment specifying a best interest standard when the court is considering the request of the parent with whom the child resides to move the child's residence out of state. The amendment also specifies factors to take into consideration.

Neuville submitted four additional amendments. One amendment provides that "child care costs" means 75 percent of the actual child care costs to reflect the value of state and federal tax credits. Another amendment relates to a mandatory reserve, disallowing parent time when it is prohibited and taking into account waiting list time for the basic sliding fee childcare program. Another amendment changes the percentages in the support guidelines table to dollar amounts. The final amendment attempts to de-link the time equals money conflict in parent time adjustments. "The hope is children will get more time with each parent and conflict will be minimized," Neuville said.

In other action, the committee advanced two bills. S.F. 1836, sponsored

by Sen. David Knutson (R-Burnsville), makes a number of changes in business filing procedures for the Secretary of State's Office. Knutson said the changes are an attempt to streamline the process for e-filings for business corporations. Burt Black, Secretary of State's Office, said the bill also eliminates a number of filings and places them with the agencies that have jurisdiction. In addition, Black said, the bill will eliminate several large mailings the Secretary of State has had to do. In their place, he said, the office will be able to simply mail a post card to serve as a reminder for corporations to file annually. The bill was approved and advanced to the State and Local Government Operations Committee.

The committee also approved S.F. 1797. The bill, authored by Betzold, provides another ground for extending an order of protection. Under the bill, an order may be extended if the respondent is incarcerated and about to be released or has recently been released. The bill was forwarded to the full Senate.

The final bill, S.F. 1529, modifies provisions relating to the standard of conduct for directors, officers, governors and managers of corporations and limited liability companies. The bill, authored by Sen. Sandra Pappas (DFL-St. Paul), specifies that a director must discharge the duties of the position in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, but not at the expense of the environment, human rights, the public health or safety, the communities in which the corporation operates or the dignity of its employees. Supporters said the bill allows corporations to look beyond short term gains when operating the corporation without fear of liability. Opponents said the bill ignores many of the good things corporations do, contains language that is too broad and indefinable and opens the door to a flood of litigation. No action was taken on the bill.

## **K-12 Education Budget Division**

### **Arsenic remediation bill okayed**

Members of the K-12 Education Budget Division discussed issues concerning the health and safety levy at the Tues., Feb. 17, meeting.

# Committee update



*Senators Claire Robling (R-Jordan), left, and Chuck Wiger (DFL-North St. Paul) consult with each other during a recent State and Local Government Operations Committee hearing.*

Photo by David J. Oakes

In addition, members considered a bill expanding the health and safety revenue program to include arsenic remediation expenses. S.F. 1834, carried by Sen. Sandra Pappas (DFL-St. Paul), includes the removal, remediation and replacement of playground equipment made from wood products treated with arsenic. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), laid the bill on the table pending a fiscal note on the costs involved with the measure.

## **Employee insurance discussed**

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Feb. 18, to hear the report of a school employee insurance plan study and

design committee. The report was authorized by the Legislature in 2002.

According to the report, total claims for the 2003-04 school year are estimated at \$615 million and are expected to exceed \$1 billion in the 2008-09 school year. Minnesota's 341 school districts cover over 100,000 employees and retirees and an additional 97,000 dependents. John Gross, Dept. of Commerce, said claim costs will continue to increase. "We're not going to be able to stop that tide," he said. However, three options studied indicate savings of more than \$500 million over six years, Gross said. If districts were required to offer a small group of standardized plans, he said, six-year savings are estimated to be \$585 million. With a voluntary pool system,

savings would be \$638 million, and with a mandatory pool, the most savings—\$712 million—are achieved, he said.

Earl Hoffman, a senior consultant with Reden and Anders, reviewed the actuarial work involved in the study and the development of several options for statewide school employee health insurance plans. The analysis concluded that a mandatory statewide pool, covering all retirees, employees and dependents, is feasible, Hoffman said. Hoffman also discussed the differences between the costs and flexibilities offered by each option. Eight members of the study committee, Gross said, recommended the mandatory pool option. Four members recommended mandating a standardized set of plans to districts, while one member



supported using a combination of standard plans and a voluntary pool.

## State and Local Government Operations

### City purchasing authority expansion okayed

Members of the State and Local Government Operations Committee, meeting Wed., Feb. 18, approved a bill expanding the purchasing and contracting authority of local units of government. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), advanced the measure to the full Senate.

S.F. 1790, authored by Sen. Scott Dibble (DFL-Mpls.), requires counties to advertise for bids or proposals, for the sale of property valued in excess of \$15,000, in official newspapers, on official Web sites or in recognized trade industry journals. The bill also increases from \$15,000 to \$25,000 the limit on purchases made independently by the city manager of a plan B city, makes uniform the threshold at which cities must advertise for bids for contracts or purchases, permits municipalities to use reverse auctions to purchase material goods, allows the electronic sale of surplus material goods and permits cities to take sealed bids in electronic formats. Members adopted an amendment, offered by Dibble, clarifying that municipalities are barred from using the reverse auction process to purchase services or service contracts. Laura Offerdahl, League of Minnesota Cities, said the measure provides municipalities with additional flexibility in contracting and added purchasing tools. However, John Kyslyczyn, former mayor of Roseville, said plan B cities have strong city managers and weak city councils. A low limit on independent purchasing authority increases the council's control over budgetary matters, he said. The \$10,000 increase is more than double the rate of inflation, he said, since the current limit was adopted in 1992. Higgins noted current law allows councils to set lower limits on city manager spending, and the bill does not affect that power. Sen. David Senjem (R-Rochester) said the underlying question is who should be empowered: city managers or elected council members. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment deleting the section increasing the authority. The

amendment was defeated. Wiger then offered an amendment changing the proposed threshold from \$25,000 to \$20,000. He said the \$5,000 increase would be more in line with inflation. The amendment was adopted.

In other actions, the committee approved five additional measures. Wiger sponsored two bills. S.F. 1814 permits the Metropolitan Council to make disbursements by electronic fund transfer. S.F. 1815 authorizes the State Board of Investment, at the request of the Met Council, to invest funds or assets on behalf of the council. Sen. James Metzen (DFL-South St. Paul) carried S.F. 2063, which clarifies that the amount of deposits of a local unit of government that must be collateralized is determined at the end of the day. All three bills were recommended for placement on the Consent Calendar. S.F. 1787, authored by Sen. Dave Kleis (R-St. Cloud), was advanced to the Senate floor. The bill authorizes municipalities to require their employees to use direct deposit. Sen. Dallas Sams (DFL-Staples) sponsored S.F. 401. The bill proposes a constitutional amendment dedicating one fourth of one cent of the state sales tax to natural resources purposes. The only portion of the measure under the committee's jurisdiction was a section creating a Heritage Enhancement Council to oversee one of the funds receiving dedicated receipts. The bill was re-referred to the Finance Committee.

Committee members also recommended the Senate approve the appointments of six members of the Metropolitan Council: Brian McDaniel, Tony Pistilli, Roger Scherer, Julius C. Smith, Mary Hill Smith and Lynette Stenglein Wittsack.

## State Government Budget Division

### Bonding proposals discussed

Capital bonding proposals for the Dept. of Administration and the Dept. of Veterans Affairs were discussed at the Tues., Feb. 17, meeting of the State Government Budget Division. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), also heard the final report of the Hotel and Resort Fire Safety Inspection Task Force.

The Dept. of Administration proposal, presented by Kath Ouska focuses on

preserving state assets. The department is requesting \$15 million for cooperative local facilities grants, \$8.6 million for Dept. of Transportation building exterior work, \$4 million for statewide CAPRA, \$10.4 million for agency relocation, \$6.6 million for asset preservation, \$1.18 million for Ford Building demolition and \$1.7 million for parking for employees relocated to the Capitol Complex.

The Hotel and Resort Fire Safety Inspection Task Force report was presented by Tim Leslie, assistant commissioner, Dept. of Public Safety; Pat Sheenan, state fire marshal bureau chief; Tom Day, Hospitality Minnesota; Dave Thompson, Congress of Minnesota Resorts; and Doug Anderson, Minnesota Innkeepers Association. The task force was composed of state agency representatives, local fire officials, private sector businesses and legislators to address the state's recent changes in how it finances inspections of lodging industry businesses. The report recommends reversing changes that altered funding mechanisms for the State Fire Marshal's Office. The task force found that the fees adopted last year only generate 24 percent of the cost of conducting fire safety inspections in lodging facilities. The report recommends several options including re-dedicating the entire fire marshal tax back to the State Fire Marshal. Other options include dedicating any amount from a budgeted surplus of the fire marshal tax, re-dedicating a portion of the fire marshal tax or creating a public-private partnership utilizing a dedication of some of the insurance tax, along with some modest fees for service on the industry.

### Tax compliance discussed

The success of tax compliance initiatives undertaken by the Department of Revenue was the focus of the Thurs., Feb. 19, meeting of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.).

Deputy Commissioner Dennis Erno reviewed the three initiatives undertaken by the department since FY 2002. In FY 02, the department began a non-filer initiative, he said, which identified and collected tax liabilities from individuals and businesses that did not pay taxes owed. The initiative was funded at \$2 million for FY 02-03 and was expected to bring in \$20 million to the general fund. However, Erno said, the initiative

# Committee update

exceeded expectations and resulted in the collection of \$27.4 million. Also in FY 02, the department began an expanded tax compliance initiative, which relied on increased audit activity and delinquent tax collection. The department was provided \$5.2 million to fund the activity, with an expected return of \$32.4 million in new revenue. Erno said the expanded compliance initiative brought in \$52.5 million in revenue in FY 02-03. In FY 03, Erno said, the department sought legislative authorization for a second expanded compliance initiative, funded at \$2.6 million, with an expectation of \$7.6 million in new revenues. The initiative, he said, actually resulted in the collection of \$17.4 million in FY 03. Total initiative spending over FY 02-03, Erno said, was \$9.7 million and resulted in new revenues of \$97.2 million.

Erno said the department was able to identify the increased revenues by isolating in its accounting system the activity of employees hired to conduct each tax compliance initiative. However, he said, the new positions do not represent departmental growth. Non-skilled jobs are being eliminated in the department and in state agencies in general, Erno said, as technology brings greater efficiencies to tax filing and agency activity. The loss of non-skilled jobs would have occurred without the need for budget cuts, he said, but was accelerated by the need to trim agency budgets. At some point, perhaps in the near future, Erno said, further reductions in the agency's budget will mean a decrease in revenue collections. The agency has become weighted toward compliance activity, he said. Sen. David Knutson (R-Burnsville) said he was willing to keep funding the agency, since the returns on investment are so high. Erno said the agency does not know how much non-compliance is going on in the state. "We don't know how long we can sustain these returns," he said. The department's worst fear is failing to meet expectations, he said, because it not only costs the department credibility, it also means greater-than-anticipated cuts in other state agencies' budgets.

Division members also discussed the effects of budget cuts on crime victims' services with Mary Ellison of the Dept. of Public Safety. The discussion centered on questions members had developed during earlier hearings on the cuts.

## Taxes

### Personal rapid transit system tax exemptions discussed

Two bills were heard at the Tues., Feb. 17, meeting of the Tax Committee. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also conducted a discussion on recently implemented fee increases.

One of the measures considered, S.F. 1703, exempts personal rapid transit systems from property, income and sales taxes. Dr. Jay Anderson, chief executive officer, Taxi2000, explained that personal rapid transit systems provide transportation on demand at any time. He said there is the potential for carrying more people than traditional transit systems. Sen. Yvonne Prettner Solon (DFL-Duluth), chief author, said the city of Duluth is considering implementing a demonstration project to draw private investment in a personal rapid transit system. Solon said the hope is that the system would not have any public subsidy other than the tax exemptions. In addition, Solon said the system could be the new wave of the future for transportation and that several businesses in Duluth are gearing up to provide the materials for the system. The committee approved the measure for inclusion on the panel's "C list" of projects that may be included in the omnibus bill.

Members also heard a bill, S.F. 1667, that alters payments to three counties for natural resources land. Sen. Tom Saxhaug (DFL-Grand Rapids), chief author, said the bill establishes a new category of land and increases the payment to the county to \$3 per acre. The new category, land utilization project land, is for lands leased by the state from the federal government. Current payments are 75 cents per acre, Saxhaug said. Orris Rasmussen, Roseau County, and Wayne Bendickson, Lake of the Woods County, said the payments are for 81,700 acres being leased from the federal government and would increase payments to the counties by \$265,000. Pogemiller pointed out that the bill would not have a revenue impact until FY 2006, but that it does involve a fiscal tail thereafter. He said the bill would be considered for placement on the "C list" of bills for inclusion in the omnibus bill developed by the panel if the state can afford the fiscal tail.

Pogemiller said the discussion of fee increases was to make members aware of revenue coming into the state from all sources. Anita Neumann, Senate Office of Fiscal Analysis, and M.J. Hedstrom, fiscal analyst, presented information about the totals of fees, fines and surcharges enacted last year. Neumann said the increase in fees, fines and surcharges for all departments total \$206 million for FY 2004-05. Additionally, there are charges in the human services area involving costs and co-pays that are not paid to the state that amount to \$133.14 million for the same biennium, Neumann said. Finally, higher education charges were increased by about \$200 million, she said.

Committee members said it was important for the panel to have an idea of the revenue coming to the state from all sources although members were reluctant to trespass on other committee jurisdictions. Representatives of cities and counties also spoke on the effect of fee changes on local units of government.

### Local sales tax bills considered

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) heard several measures relating to local sales taxes at the Wed., Feb. 18, hearing. In addition, members discussed the Minnesota sales and use tax gap and the income tax gap.

Members approved the various bills for inclusion in the omnibus bill under a list of priorities ranging from A to E with A indicating the bill will be included in the omnibus bill, B indicating the measure will be in the omnibus bill but needs work, C indicating the bill may be included if the funds are available, D indicating the bill will not be included in the omnibus bill and E indicating the measure does not follow the committee's direction.

S.F. 1925, authored by Sen. Dave Kleis (R-St. Cloud), authorizes the city of Waite Park to impose a local sales tax of one-half of one percent. Members approved the bill for the C list. S.F. 1701, carried by Sen. Thomas Bakk (DFL-Cook), authorizes the city of Proctor to use up to 10 percent of the revenues received from the lodging tax for preservation of the Caboose and the Baldwin Locomotive donated by the Duluth, Missabe and Iron Range Railway Company and the F-10F aircraft donated by



the Air Force. The bill was approved for inclusion in the omnibus bill.

S.F. 1731, sponsored by Sen. Bob Kierlin (R-Winona), authorizes the city of Winona to impose a sales and use tax of one-half of one percent to be used for transportation projects in the city. The measure was approved for the C list. S.F. 2049, authored by Sen. Sheila Kiscaden (IP-Rochester), provides for the use of Rochester sales and use tax revenues. The measure includes regional highway improvements and higher education facilities to the list of other approved uses. The measure was moved to the C list. Another Kiscaden measure, S.F. 2054, authorizes the use of the sales and use taxes for other facilities available for community and student use. The bill will not be included in the omnibus bill.

S.F. 1675, sponsored by Sen. Mee Moua (DFL-St. Paul), authorizes county library levies to be separately stated on tax statements and notices of proposed taxes. The measure was approved for the B list.

## Transportation Policy and Budget Division

### Northstar Rail discussed

The Transportation Policy and Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), devoted most of the Tues., Feb. 17, hearing to a discussion of the Northstar Commuter Rail Line and metro transitways development. Members also approved a bill, S.F. 1615, sponsored by Sen. Keith Langseth (DFL-Glyndon), reducing the minimum required local contribution to federally funded airport projects from 10 to 5 percent. The bill was advanced to the full Finance Committee with a recommendation the measure be placed on the Consent Calendar.

The discussion of the Northstar Commuter Rail Line concentrated on a report of the Northstar Work Group, a group formed last year to focus on presenting objective data. The group updated ridership projections with 2000 census data, updated Burlington Northern Sante Fe projections of capital and operating issues and initially focused on data related to the 82 mile Rice to Minneapolis line. Since that time, there have been major changes in Federal Transportation Agency modeling in terms of ridership projections that increased the

emphasis on the "cost effectiveness index." In addition, the project has been shortened to extend from Big Lake to Minneapolis. The governor has also indicated support for the project by including \$37.5 million in bonding for the line contingent upon an equal amount in local government funding. Under current estimates, the new Northstar Commuter Rail proposal meets the governor's criteria for cost-efficient and effective transportation service and should move forward to the next phase.

The panel also heard an update and overview of the Metro Transitways Development Board from Hennepin County Commissioner Peter McLaughlin. McLaughlin quoted Met Council Chair Peter Bell and said "Traffic congestion is the region's number one livability issue." The transitways development board is working toward an integrated multi-modal system including roadway improvements, better bus service, new transitways and dependable transportation alternatives, he said. Other transitways include the Cedar, Central, Red Rock, Northwest, and Rush Line in addition to the Northstar Commuter Rail Line and Hiawatha Light Rail Line. The board is proposing a dedicated long-term financing mechanism of one-half percent greater Metro Area sales tax and an increase in the gasoline tax, McLaughlin said along with bonding and an increase in license tab fees.

### Panel tours exhibit

The Transportation Policy and Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), devoted the Thurs., Feb. 19, meeting to a tour of the "Going Places: The Mystique of Mobility" exhibit at the Minnesota Historical Society.

### 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..."

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### MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0223.htm>

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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Denis Weis of Clear Lake demonstrates his support for the development of the Northstar Corridor Commuter Rail Line during a Thurs., Feb. 26, rally in the Capitol Rotunda.  
Photo by David J. Oakes*



February 27, 2004



# Senate Highlights

## Lottery reform bill gains

A bill instituting certain institutional reforms in the Minnesota Lottery gained the approval of members of the Agriculture, Veterans and Gaming Committee when they met Mon., Feb. 23. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced the measure to the State and Local Government Operations Committee.

Before taking up the bill, committee members heard the results of a program evaluation of the lottery by the Office of the Legislative Auditor. The report, presented by John Yunker, found that the lottery spent far more of its sales revenue on operating expenses than comparable state lotteries, resulting in less funding being available for environmental programs funded by lottery profits. The report also found the lottery to be less accountable to, and more autonomous from, the governor and Legislature than any other state agency. Spending on certain marketing and promotion activities, including the lease of a traveling exhibit trailer, was also drawn into question by the report. "However, we found nothing to have us conclude that there was any criminal activity going on at the Lottery," Legislative Auditor James Nobles said. The report includes several recommendations, including Legislative review of the lottery's budget and granting the governor more authority to remove and appoint the lottery director. The report is available online: <http://www.auditor.leg.state.mn.us/ped/2004/pe0401.htm>.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

Acting Director Michael Vekich said the lottery has already implemented 11 of the recommendations in the report. The lottery intends to implement all of the recommendations in its power within 120 days, he said. Vekich characterized the lottery as "a business first, wrapped in a governmental wrapper." He said the lottery has been run, since its inception, under an entrepreneurial business model. It is time to move to a professional business model, Vekich said.

S.F. 2181, sponsored by Sen. Ann Rest (DFL-New Hope), implements some of the recommendations contained in the auditor's report. Under the bill, the lottery director serves at the pleasure of the governor. However, to maintain continuity within the lottery's direction, Rest said, the bill does not make the director's term coterminous with the governor's elected term. The bill also requires Legislative review of the lottery's budget, adds a requirement for the lottery director to include capital expenditures in an annual report to the Legislature and governor and creates a lottery organization task force.

John Curry said the Minnesota Center for Environmental Advocacy (MCEA) issued a report last year about perceived deficiencies in lottery operations and revenues for the Environment and Natural Resources Trust Fund. Too many people took the report as being without merit, he said. Changes made since the MCEA report was issued have resulted in a more efficient and profitable lottery, Curry said. He said inefficiencies may have cost the trust fund as much as \$130 million over the last 13 years. Curry said the center supports S.F. 2181, but recommends adding a section providing performance goals and objectives for the lottery and dedicating all unclaimed prize dollars to the Environment and Natural Trust Fund. The bill splits the unclaimed prize monies between the trust fund and the general fund.

An amendment prohibiting the lottery from spending money on advertising was offered by Sen. Sean Nienow (R-Cambridge). Minnesota is far above other states on advertising expenses, Nienow said, but it is unclear if the spending is effective. He questioned if the state should even be promoting gambling. Rest said the lottery, as a business, needs to advertise its product. The amendment was defeated.

Vickerman offered an amendment dedicating the entire balance of unclaimed prize dollars to the Environment and Natural Resources Trust Fund. Sen. Dick Day (R-Owatonna) said the trust fund has a balance of \$280 million, while the state is facing a serious general fund shortfall of perhaps \$400 million. At this stage, I can't see justifying losing the money in the unclaimed prize fund, he said. The amendment was adopted.

## IRV pilot gains final passage

A bill authorizing the use of instant runoff voting (IRV) was granted final passage when Senators met Mon., Feb. 23. The measure was considered as a Special Order and granted final passage, 38-26.

S.F. 1613, sponsored by Sen. John Marty (DFL-Roseville), permits cities to implement instant runoff voting for city elections, if a city chooses to do so by local ordinance. Marty offered an amendment to the bill that limits its application to a special election in the city of Roseville. He said the city has to conduct a special election this year to fill a vacant city council seat. Discussions with members of the other body indicated that a limited version of the bill was the only passable option, Marty said. "The amendment is bad, but the bill is worse," said Sen. Dave Kleis (R-St. Cloud). If proponents of IRV want to solve the perceived problem of winners not receiving over 50 percent of votes cast, he said, then a runoff election should be held between the top two finishers in the general election. The amendment was adopted.

Kleis said instant runoff voting weakens the electoral system. Voters go to the polls to cast ballots for the person they feel is best, he said, not to indicate levels of acceptability. He said implementing instant runoff voting in any community changes our entire election philosophy. Kleis offered an amendment replacing the IRV authorization with permission to use a runoff election to held after the special election. Marty said cities effectively have a runoff system now. Municipal elections are nonpartisan, he said, and normally include a primary held before the general election. Cities want other methods to narrow the field of candidates, Marty said, to speed up the process and to save costs. He said holding a runoff election after the special election prolongs the vacancy on the city council and adds costs. The amendment was not adopted, 30-34.

In other action, members repassed S.F. 1015, carried by Sen. Dan Sparks (DFL-Austin). The bill authorizes the commissioner of revenue to disclose income tax return information to the commissioner of veterans affairs to locate and notify veterans of health hazards resulting from their service in the armed forces and of potential benefits entitlement.

Senators also granted preliminary passage to four measures on General Orders. Sen. Charles "Chuck" Wiger authored S.F. 1626, which changes how charges for sanitary sewer systems and storm sewer systems may be calculated. S.F. 148, carried by Marty, increases the disclosure of contributions and expenditures for local political campaigns. Sen. David Knutson (R-Burnsville) sponsored two bills. H.F. 480 provides limited immunity to employers providing references to current or former employees. The bill benefits employers, by allowing for free-flowing information about prospective employees, and employees, by letting them get fair, honest evaluations from their previous employers, Knutson said. S.F. 1745 makes various changes, suggested by the Minnesota State Bar Association, to the state's trust laws.

### **Brief floor session held**

Senators held a very brief floor session Thurs., Feb. 26, in order to process bill introductions and committee reports. Majority Leader Dean Johnson (DFL-Willmar) said there would be no committee meetings Mon., Mar. 1, or Tues., Mar. 2, in order to allow members to attend precinct caucuses.

### **Reduction in senior administrators gains**

A bill reducing the number of deputy and assistant commissioners of state agencies was the focus of members of the Finance Committee when they met Wed., Feb. 25. The panel advanced the bill to the full Senate on a 9-7 roll call vote.

S.F. 2295, authored by Committee Chair Richard Cohen (DFL-St. Paul), limits state agencies to one deputy commissioner each and eliminates all assistant commissioner positions. The measure also eliminates 125 positions in the unclassified service that were authorized by the Legislature in 2003 and limits the salaries of agency employees to 88

percent of the agency head's salary. Out of state travel is banned, under the bill, and state agencies may not spend money on holding meetings or conferences at non-state-owned facilities. The bill also reduces the executive branch's budget by \$10 million in FY 04 and \$10 million in FY 05. "This is an effort to be more equitable," Cohen said, in trimming the state budget. He said the forecast to be released Feb. 27 is likely to top \$300 million in projected shortfall for the current biennium. The bill does not solve the state's budget problems, but it is a significant start, Cohen said.

"There is a difference between frugality and foolishness," Sen. Dennis Frederickson (R-New Ulm) said, and the ban on out-of-state travel is foolishness. Agency staff often need to leave the state to meet with national officials on transportation or other projects, he said. Similarly, environmental officials need to interact with their counterparts in other states, Frederickson said. There are examples in every state agency, he said, where money spent to travel outside Minnesota is money well spent. Cohen said the state of modern telecommunications is sufficient to enable such meetings and discussion, without state officials or employees leaving Minnesota. He noted that the Senate itself has imposed a similar travel ban and Senators have had no difficulty interacting with Legislators from other states. Sen. Thomas Neville (R-Northfield) offered an amendment deleting the travel ban and increasing the budget reductions to \$12 million each fiscal year. The amendment was defeated, 7-11.

Neville offered a second amendment including the Legislature in the \$10 million cuts for FY 04 and FY 05. The Legislature should share in the reduction, he said, with the constitutional officers and the state agencies. The amendment was defeated on a 6-10 roll call vote. Frederickson offered an amendment deleting provisions eliminating the directors of the Offices of Trade and Tourism and eliminating the 125 unclassified positions. The trade and tourism offices, he said, bring in more money than they cost to operate, he said. Cohen said the bill does not eliminate the offices themselves, but does require the commissioner and deputy commissioner of the Department of Employment and Economic Development to assume more

oversight responsibility. The amendment was defeated, 6-10. Members adopted, on a voice vote, an amendment removing a provision restricting special situation salaries to 108 percent, instead of 120 percent, of the salary of an agency head. Sen. David Knutson (R-Burnsville), who offered the amendment, said it was unclear to whom the provision applies.

The bill is transparently political, Neville said. The issues surrounding the number and salaries of agency heads, and their deputies and assistants, can be dealt with substantively in the budget divisions, he said. The Senate traditionally acts thoughtfully and cautiously, but also quickly, Knutson said. He urged Cohen to give the proposal a full and fair hearing. However, Cohen said his intent is to be proactive toward the impending budget forecast. The Senate has frozen staff salaries, left positions vacant and instituted a travel ban, he said, and the House has acted similarly. The administration has not done so, Cohen said.

In other action, members recommended S.F. 1615 for placement on the Consent Calendar. The measure, sponsored by Sen. Keith Langseth (DFL-Glyndon), reduces the required local contribution for airport projects to five percent. Ray Stregle of Short Elliot Hendrickson said a recent change in federal law changed the federal contribution to 95 percent, instead of 90 percent. Federal officials have indicated they cannot provide any funds, even at 90 percent, unless the state changes the local contribution to the lower level. The change has no impact on the state budget, as the state contribution to affected projects is zero.

Committee members also heard a report on fee increases from Mark Misukanis, director of the Senate Office of Fiscal Policy Analysis. He said fees increased, over the base amount, by 16.51 percent for FY 04 and by 19.01 percent for FY 05 for all funds. Fees represented 2.7 percent of total state revenue in FY 03, Misukanis said, and represent 3.5 percent of FY 04 revenue.

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### **Schedule available online**

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0301.htm>



# Committee update

## Agriculture, Veterans and Gaming

### Dairy bills okayed

Bills aimed at helping Minnesota dairy farmers were the focus of the Agriculture, Veterans and Gaming Committee meeting Wed., Feb. 25. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), advanced all the bills.

S.F. 1472, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides for an income tax credit for quality milk production. Under the bill, the quality milk credit is equal to 5 cents per hundred weight of milk produced during the taxable year. In order to qualify, the bill specifies that the milk must average a somatic cell count lower than 150,000 and that the taxpayer must maintain a rolling herd average milk production in excess of 21,000 pounds. The bill was approved and re-referred to the Tax Committee.

A second bill, S.F. 1473, also sponsored by Kubly, establishes a revolving loan fund for dairy farmers to purchase additional mature dairy cows. Kubly said the loans, up to \$6,000, would allow farmers to purchase up to 6 additional cows. A representative of the Dept. of Agriculture said the department is concerned that the bill requires direct loans through the Rural Finance Authority, but the authority does not have the staff to perform that function. Members urged Kubly to work with the department to address the concerns before approving the bill and re-referring the measure to the Finance Committee.

S.F. 1939, authored by Sen. Dallas Sams (DFL-Staples), appropriates \$1 million to expand the dairy development and profitability enhancement and the dairy business planning grant programs. The bill was also advanced to the Finance Committee.

Members also approved S.F. 1941, authored by Sen. Steve Dille (R-Dassel). The measure provides for a grant program to promote modernization of dairy equipment. Dille also offered, and members adopted, an amendment specifying that the commissioner of agriculture make cash payments to beginning milk producers of \$1 per hundred pounds of milk for the first one million pounds produced each year for the first 5 years. The amendment specifies



*Shoreview's Snail Lake Elementary School fourth graders enthusiastically wave American flags during a patriotic performance in the Capitol Rotunda, Tues., Feb. 24.*

Photo by David J. Oakes

that total payments may not exceed \$10,000 and that a beginning milk producer must agree to participate in a farm management program.

Dille offered another amendment that generated considerable discussion. The amendment, aimed at protecting

sustainable family farms, prohibited local units of government from regulating family farms. Dille said the amendment was drafted because of a hostile political and social climate for farmers who want to raise livestock and expand their operations. Several committee members argued

against the amendment because it would remove local control. Dille withdrew the amendment in order to fine-tune some of the language. The bill was approved and re-referred to the Finance Committee.

The committee also approved S.F. 1942. The measure, authored by Sams, extends the interest-free status of manure digester loans. Members adopted an amendment, offered by Kubly, that extends the loan program to on-farm processing of agricultural products. The bill was approved and advanced to the Finance Committee.

## Commerce

### Mortgage registration bill stalls

A bill requiring mortgage originators to register with the state hit a speed bump at the Wed., Feb. 25, meeting of the Commerce Committee. Panel members laid the bill on the table and urged interested parties to continue working out issues with the proposal.

S.F. 1083, carried by Sen. Linda Higgins (DFL-Mpls.), requires individual residential mortgage originators to register with the Department of Commerce. The bill requires an originator's employer to conduct a background check on the employee and to certify that the originator has completed at least 30 hours of continuing education within the past two years. Higgins said the bill is supported by both the industry and consumer protection groups. Wade Abed, president of the Minnesota Association of Mortgage Brokers (MAMB), said the background check provision is important because it will prevent originators with histories of illegal activity from jumping between employers. Systems are already in place to provide the continuing education and to register individual mortgage originators, Abed said. He acknowledged that employers could perform background checks now. Most MAMB member companies do perform checks, he said, but the association represents a small portion of the industry.

Deputy Commissioner Kevin Murphy, Dept. of Commerce, said the registration requirement imposes a significant burden on both the industry and the department. The bill does not include a registration fee to cover the department's costs, he said. The proposal provides no significant benefit to the public, Murphy said, but will economi-

cally benefit entities selling continuing education products. The department supports the goal of getting bad apples out of the mortgage origination business, he said, but the bill is not the way to do it.

In other action, committee members advanced four bills. S.F. 2137, authored by Sen. Gary Kubly (DFL-Granite Falls), increases the limit on cemetery perpetual care funds from \$25,000 to \$35,000. The measure was recommended for placement on the Consent Calendar. Sen. Steve Dille (R-Dassel) carried S.F. 1928. The bill, which increases the membership of the Minnesota Comprehensive Health Association (MCHA) Board and specifies that private insurance agents and employers must be represented, was re-referred to the State and Local Government Operations Committee. Committee Chair Linda Scheid (DFL-Brooklyn Park) carried S.F. 2138, requiring health carriers to notify persons being offered continuation policies that the continuation policy may be different from the person's COBRA policy and that the person may be eligible for MCHA. Members adopted an amendment, offered by Sen. Brian LeClair (R-Woodbury), adding notification that the person may be able to get coverage similar to the COBRA policy from another private carrier. S.F. 2138 was advanced to the full Senate. Sen. Steve Murphy (DFL-Red Wing) sponsored S.F. 521. The bill was approved by the committee in 2003 and sent to the full Senate. However, under Senate Rule 47, the bill was returned to the committee after it had not been acted up on at the end of last session. The bill—which requires that American flags, and novelty items bearing a depiction of the American flag, sold in Minnesota be made in the United States—was again sent to the full Senate.

## Crime Prevention and Public Safety

### Sex offender bills heard

Members of the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Mon., Feb. 3, to continue hearing bills related to sex offenders. No formal action was taken; all of the measures were laid over for possible inclusion in the committee's omnibus sex offender bill.

Sen. Thomas Neville (R-Northfield) started the discussion with S.F. 734.

Neville said the bill provides for indeterminate sentencing for convicted offenders with a sexual psychopathic personality or who are sexually dangerous persons. In addition, the measure prohibits civil commitment for those offenders. Neville said the numbers of persons eligible for civil commitment are rising and that it is better to deal with the offenders through the Corrections Department, rather than through the Dept. of Human Services. Under the bill, a process is set up for a bifurcated, or two-step, trial with the first part determining guilt or innocence for the sex offense and the second part determining if the offender is a sexual psychopathic personality or a sexually dangerous person. Neville said both portions of the bifurcated trial require a standard of proof of beyond a reasonable doubt. The measure specifies that if the person is found guilty of the crime and of being a psychopathic personality or a sexually dangerous person, the minimum sentence is the presumptive sentence under the sentencing guidelines and the maximum sentence for all offenders is 60 years. Neville said the bill also creates a special review board to review petitions for release after the offender has served the minimum sentence. The bill outlines criteria that must be met before the petition is granted and specifies that the burden of proof is on the petitioner.

Committee members questioned whether prosecutors would be able to have enough information about offenders to be able to prove the offender is a sexual psychopathic personality or a sexually dangerous person at the beginning of a trial. Neville said it was a concern, but that he presumed the county attorneys would base their decision to charge the offender for the two-step trial on whether or not they had sufficient information.

In other action, members heard several additional bills. S.F. 1708, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), expands the requirement that risk-level assessments be conducted in the Predatory Offender Community Notification Law to include all offenders released from federal or state correctional facilities who intend to reside in Minnesota and offenders who move to Minnesota any time after release if they are subject to community notification in another state. S.F. 2051, also authored by Skoglund, requires that level III predatory offenders be photographed twice a year.



# Committee update

Skoglund said appearances can change dramatically and that having an up-to-date photo will help law enforcement.

S.F. 1911, sponsored by Sen. Mike McGinn (R-Eagan), requires offenders without a primary address to register under the predatory offender registration law. Eric Knutson and Annemarie O'Neill both of the Bureau of Criminal Apprehension spoke in support of the measure. Knutson said current law does not cover offenders who do not have a permanent residence and makes it difficult to keep track of the offenders. The bill sets up a procedure for offenders without a permanent residence to register for community notification purposes.

## Appointment considered

Members of the Crime Prevention and Public Safety Committee met Wed., Feb. 25, to consider the appointment of Rich Stanek as commissioner of public safety. The panel, chaired by Sen. Leo Foley (DFL-Coon Rapids), had numerous questions for Stanek about statements made over the course of the last year. As

a result of time constraints, a vote on the appointment was postponed until a future date.

## Early Childhood Policy and Budget Division

### Organizational meeting held

The Early Childhood Policy and Budget Division met for an organizational meeting Thurs., Feb. 26. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), also heard an overview of the impact of last year's budget cuts on Head Start and other programs aimed at early childhood education.

## Education

### Truancy-DL linkage considered

A bill permitting school districts to report truant students to the Department of Public Safety so that the students' drivers' licenses may be revoked was considered by members of the Education Committee, Tues., Feb. 24. The panel,

chaired by Sen. Steve Kelley (DFL-Hopkins), laid the measure over for possible inclusion in an omnibus education policy bill.

S.F. 2036, authored by Sen. Geoff Michel (R-Edina), permits school districts, charter schools or state approved alternative programs to waive the school attendance requirement for driving privileges. The measure requires applicants, who are under the age of 18, to present certificates of school attendance in order to receive instruction permits, motorcycle licenses or driver's licenses. The bill also provides for the cancellation of permits or licenses when students are reported truant or have been expelled. A student whose driving privileges may be cancelled may, under the bill, request a hardship waiver from the school district superintendent.

Eighteen other states have enacted similar laws, Michel said, and Florida has reported significant improvements in student attendance. While the proposal might have been too expensive several years ago, he said, it is now much cheaper



*Sen. Steve Kelley (DFL-Hopkins), second from right, fields questions from St. Louis Park High School freshmen students during their visit to the Capitol, Wed., Feb. 25. Rep. Jim Rhodes (R-St. Louis Park), far right, was also present to speak to the class.*

*Photo by David J. Oakes*

to implement. Government has been brought online at all levels, Michel said, and the bill takes advantage of that reality by providing for electronic communication between schools and the Dept. of Public Safety. Assistant Commissioner Mary Ann Nelson, Dept. of Education, said there is a significant relationship between a student's attendance and future needs for remediation. Providing students with an incentive to attend school will save money in the long term, she said.

Attendance is important, Roger Aronson said, and the Minnesota Association of Secondary School Principals was initially excited about the proposal to link driving privileges with student attendance. However, he said, support dwindled as the proposal was put on paper. He said the association will recommend districts opt out of the proposal because of the paperwork required. It is a large reporting burden, electronically submitted or not, Aronson said, to catch a very small group of truant students.

The Minnesota Association of School Administrators, however, supports the proposal, according to Charles Kyte. He said schools and educators are looking desperately for ways to keep students in school. While the proposal will require extra effort, the exertion is worth it, Kyte said. Jim Bartholomew, Minnesota Business Partnership, said the financial consequences on students of not attending school and eventually not graduating are immense and lifelong.

Committee members also considered five other bills. All the measures were laid over for possible inclusion in the committee's omnibus policy bill. S.F. 311, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), improves student access to services that support academic success. Sen. Mady Reiter (R-Shoreview) sponsored two measures. S.F. 1880 allows students to carry non-syringe injectors of epinephrine, a drug used to combat severe allergic reactions. S.F. 1881 permits students to carry and use nonprescription pain relievers. S.F. 1889, authored by Sen. Thomas Bakk (DFL-Cook), requires children under the age of seven to complete kindergarten before entering first grade. The bill is effective beginning with the 2005-2006 school year. Sen. Rod Skoe (DFL-Clearbrook) carried S.F. 258. The bill transfers authority over the Indian scholarship program from the

commissioner of education to the Higher Education Services Office.

### Osseo wards proposal heard

A bill requiring the Osseo School District to split into six single-member election districts, instead of electing its school board members at-large, generated considerable discussion at the Thurs., Feb. 26, meeting of the Education Committee. Panel members, chaired by Sen. Steve Kelley (DFL-Hopkins), laid the bill over for possible inclusion in an omnibus education policy bill.

S.F. 1660, authored by Sen. Linda Scheid (DFL-Brooklyn Park), requires the district to either split into six single-member election districts or submit the question of splitting into the six districts to its voters at the 2004 general election. Scheid, whose Senate district includes most of the eastern half of the school district, said no school board members live in the eastern portion of the district. The east side, she said, has serious economic and cultural issues that the west side of the district does not face. Scheid acknowledged that five of the six at-large members oppose the proposal. However, she said, the eastern portion of the district needs fair representation on the school board to ensure that its needs are understood and met. Sen. Warren Limmer (R-Maple Grove), whose Senate district includes most of the western portion of the school district, said the Osseo School District has elected its entire board at-large for 130 years. This is the first time that the eastern side of the district has lacked representation on the board, he said. Limmer said he has not been contacted by any constituents requesting the school district change its elections procedure. State law allows citizens to petition for a change in school board elections, he said, and seek a ballot question. Limmer said the threshold in state law required to put the question on the ballot is just over 500 signatures in the Osseo district. S.F. 1660 is offered with good intentions, he said, but it is not needed. Approving the bill, Limmer said, sets a bad precedent for state intervention in local issues. Scheid said current law was not sufficient. Presented with the petition, she said, the board could choose a plan other than six single-member districts, such as three districts and three at-large members. "I want half the population to have half the seats," Scheid said.

In other action, committee members heard three other bills. All three bills were also laid over. S.F. 2070, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides that school board members employed by the school district must not be paid more than half the average salary of district employees. Kelley carried a bill, S.F. 1873, expanding the list of eligible charter school sponsors to include the Perpich Center for Arts Education. Sen. Tom Saxhaug (DFL-Grand Rapids) carried S.F. 1844, which permits school boards to establish employee recognition programs. Tom Deans, Minnesota School Boards Association, said the Attorney General's Office and State Auditor's Office have advised school districts that spending on employee recognition programs serves no public purpose. Counties, he said, have specific statutory authorization to engage in employee recognition, and school districts have been advised to seek the same authority.

## Elections

### HAVA bill gains

The Elections Committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), met Fri., Feb. 20, to consider two measures.

S.F. 1666, authored by Sen. Dan Sparks (DFL-Austin), provides for the acquisitions of voting systems to comply with the federal Help America Vote Act (HAVA). The bill appropriates up to \$35 million to purchase voting equipment to comply with the mandate of HAVA that every polling place be equipped with a voting machine that permits people with disabilities to vote in private without assistance.

Sparks offered an amendment to require each voting system purchased in Minnesota to either mark a paper ballot that can be read by a precinct count optiscan machine or to accept a manually marked paper ballot. The amendment requires that the machine provide all voters an opportunity to verify their votes and to change their votes or correct any error before their ballots are cast and counted, produces a permanent paper record of the ballot cast by each voter and preserves the paper record as an official record available for use in any recount. In addition, the amendment requires that remaining funds will be spent to replace any existing precinct scan machines not compatible with ballot marking systems.



# Committee update

Sparks said the amendment also directs the secretary of state, in cooperation with the commissioner of administration, to establish a state voting systems contract from which counties and municipalities may purchase or lease voting systems and obtain related election services. The measure also requires that the amount allocated to each county must be in proportion to the number of polling places used by the county in the state general election of 2004.

Kevin Corbid, Washington County, spoke in support of the measure. He said cities and counties will have significant on-going costs associated with HAVA and that it is important to have the funds distributed equitably.

Alberto Quintela, chief deputy secretary of state, spoke in opposition to the amendment. He said HAVA is aimed at helping citizens with disabilities vote without assistance. He asked that members keep in mind the needs of disabled voters, the needs of voters in small precincts, and the ability of voters to have their votes counted equally. Quintela said the Secretary of State's Office is exploring using a disability voting machine and the optiscan machines in each precinct. He said the office does not know what the final costs of the machines will be, but the office is hoping to negotiate a master contract for the entire state.

Sparks said the amendment allows small precincts to have just one machine that serves all voters, including those with disabilities.

Margot Imdieke, Minnesota State Council on Disability, also spoke in opposition to the amendment. She said the unamended bill has the support of the council. "We are working with the Secretary of State's Office to see that every precinct has a machine to allow persons with disabilities to vote.

Sparks said that either version of the bill provides for a machine for disabled voters in every precinct.

Members indicated that the needed more information before making a decision. Sen. Dave Kleis (R-St. Cloud) suggested that the author and staff from the Secretary of State's Office work out an agreement before the measure is heard by the Finance Committee.

Scheid offered an amendment that specifies that the machine purchased must be able to use software that allows cumulative, or instant run-off, voting.

Kleis opposed the amendment and said it is premature to require specifics for the machines. The amendment was adopted.

Sen. Warren Limmer (R-Maple Grove) moved that the measure be laid on the table. He noted the fact that persons speaking on the bill, because they are disabled, weren't able to consider the amendment in advance. The motion failed.

The bill was advanced to the Committee on Finance.

In other action, members also approved S.F. 1660, a bill that establishes single-member school board election districts equal in population for the Osseo School District. Sen. Linda Scheid (DFL-Brooklyn Park) said the district has changed dramatically over the years and that one side of the district is underrepresented by electing school board members on an at-large basis.

Tom Deans, Minnesota School Boards, spoke in opposition. "Our concern is that the Legislature has already dealt with the issue. Under current law, if there is a petition the school district has to put the question on the ballot," Dean said. Former board member Nancy Miller countered that the East side of the district has more than half of the students eligible for free and reduced lunch, yet there are no board members from that part of the district.

The panel approved the bill and forwarded the measure to the Education Committee.

## Conflict of interest bill defeated

A measure requiring elected officials to disclose campaign contributions in excess of \$100 as a potential conflict of interest was defeated by members of the Elections Committee when the panel met, Thurs., Feb. 26.

S.F. 8, authored by Sen. John Marty (DFL-Roseville), makes the acceptance of a contribution larger than \$100 by an elected official, or the official's principal campaign committee, a conflict of interest with regard to any action or decision coming before the official in which the contributor has a financial interest that is of greater consequence to the contributor than the general interest of all residents or taxpayers. The measure applies to contributions from individuals, associations or agents of individuals or associations. Elected officials must attempt to avoid participating in the action or

decision, under the bill, either by asking to be excused from a vote, if a Legislator or board member, or by assigning the action or decision to a subordinate, if an executive. A similar proposal has been enacted in a Colorado municipality, Marty said. The measure aims to break the connection between lobbying and campaign contributions, he said. The bill does not imply that lobbyists or officials who accept campaign contributions are bad, Marty said, but merely acknowledges that everyone is human.

There are any number of reasons why individuals or groups choose to contribute to candidates for election, said Sen. Julianne Ortman (R-Chanhassen). The bill embraces a very broad concept of potential conflicts of interest, she said. S.F. 8 makes it very hard for candidates to raise the money they need to wage an effective campaign, she said, and may be more focused on taking the state down the road to full public financing of campaigns. Nothing in the bill prevents candidates from taking contributions larger than \$100, but as elected officials, they must disclose those contributions when an issue of financial interest to a contributor arises, said David Schultz, a law professor at Hamline University. Of course many associations will stop making contributions larger than \$100, Marty said, that is the point of the bill. He said several examples of what committee members called "unintended consequences" were exactly the types of changes the bill is meant to create. We want to see a change in behavior, he said. "Disclosure is important, but disclosure is not enough," Schultz said. Sen. Dave Kleis (R-St. Cloud) said the bill assumes officials are predisposed to favor contributors, even though a Legislator may not intend to vote the way a contributing association might prefer. The bill implies that we are all corrupt, said Sen. John Hottinger (DFL-St. Peter). Hottinger said he prefers implementing an elections system with full public financing, rather than send another message to the public that lawmakers are corrupt.

In other action, committee members advanced four bills to the Senate floor. H.F. 1006, authored by Committee Chair Charles "Chuck" Wiger (DFL-North St. Paul), provides for a single track election administration and voter registration system and makes changes in Minnesota election law to conform to the federal



**Early childhood teacher Tara Mahin, left, and her son, eight-year-old Peter, who suffers from life-threatening food allergies, testify in support of a bill sponsored by Sen. Mady Reiter (R-Shoreview), right, during an Education Committee hearing, Tues., Feb. 24. The bill would allow students with life-threatening allergies to carry, while in school, nonsyringe injectors of epinephrine.**

Photo by David J. Oakes

Help America Vote Act. S.F. 917, carried by Sen. Linda Higgins (DFL-Mpls.), prohibits party units from accepting contributions indirectly they could not accept directly. Marty sponsored S.F. 2292, which responds to a federal District Court decision regarding the distribution of anonymous campaign material. The measure identifies purposes for imposing a disclosure requirement on campaign material, amends the definition of campaign material to focus on the intent of distributors of the material, increases the exemption from the disclaimer requirement from \$300 to \$500 and requires anonymous campaign material to be distributed at least seven days before the election to qualify as exempt. Sen. Julie Rosen (R-Fairmont) sponsored a measure involving "push-polling." Push-polling is polling intended to influence

the person being polled to support or oppose a specific candidate. S.F. 1373 requires an individual engaged in push-polling to disclose who the person represents in conducting the poll, the name of the candidate, campaign committee or party unit that has authored the poll and contact information where the person being polled can get more information about the polling effort.

## Environment and Natural Resources

### Mercury switch bill heard

The Environment and Natural Resources Committee met Mon., Feb. 23, to consider a variety of bills. Much of the discussion centered on a bill, S.F. 1934, requiring motor vehicle manufacturers to

establish a program to collect mercury switches at the end of a vehicle's use.

The bill, sponsored by Sen. Scott Dibble (DFL-Mpls.), spells out the details of the program, which requires the manufacturers to participate in a program, by Jan. 1, 2005, to remove, collect and recover mercury switches before crushing or shredding the motor vehicles. The program also specifies that manufacturers implement the plan using existing motor vehicle recycling infrastructure and provides for a \$1 payment to vehicle recyclers for each mercury switch assembly or mercury pellet recovered from any motor vehicle. The measure also requires manufacturers to phase-out the use of mercury

switches by Jan. 1, 2007. Dibble said the mercury switches are used in convenience lighting in vehicle trunks or under the hood. He said the bill aims to remove more mercury from the waste stream and protect the environment. Supporters of the measure said an estimated 280,000 vehicles are removed from service each year in Minnesota and that over the course of the next 15 to 20 years an estimated 4,800 to 8,100 pounds of mercury could be released into the atmosphere.

Opponents, including representatives of the Alliance of Automobile Manufacturers, said the measure is not needed and that voluntary recovery of the switches is working. Eric Hyland, representing the alliance, said manufacturers are committed to a shared responsibility of reducing mercury.



# Committee update

A representative of the Ford Motor Company said the \$1 payment is not needed and that switch collection succeeds if the salvage yard or recycler does not have to transport the switches, if there is little paperwork and if assistance is provided.

Members discussed the measure and decided to lay the bill over for further consideration.

In other action, the committee, chaired by Sen. John Marty (DFL-Roseville), advanced three additional bills. S.F. 2198, authored by Sen. Dallas Sams (DFL-Staples), establishes a facilities management account within the Dept. of Natural Resources and authorizes interdepartmental billing for services related to building and infrastructure facilities. S.F. 2199, also carried by Sams, modifies payment terms for Dept. of Natural Resources contracts and grants. Both measures were approved and referred to the Finance Committee. S.F. 2211, carried by Sen. Wesley Skoglund (DFL-Mpls.), modifies provisions for the control of invasive and non-native species. The measure also sets criminal and civil penalties for violations. The bill was approved and advanced to the Crime Prevention and Public Safety Committee.

## Land exchange bills heard

The exchanges of land between various entities and the state provided the focal point for discussion at the Wed., Feb. 25, meeting of the Environment and Natural Resources Subcommittee on Public Land and Water. The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), heard a variety of bills providing for exchanges and sales.

S.F. 2205, carried by Saxhaug, removes land from the George Washington State Forest. Saxhaug said the bill is the vehicle for the omnibus measure and that other bills would be amended into S.F. 2205.

S.F. 1593, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes a land exchange in Cook County. S.F. 1672, authored by Saxhaug, authorizes tax-forfeited and conservation land sales in Aitkin County. S.F. 1735, carried by Saxhaug, provides for tax-forfeited land private sales in Itasca County.

S.F. 2072, sponsored by Bakk, provides for the sale of surplus state land in St. Louis County. S.F. 2073, carried by Sen. LeRoy Stumpf (DFL-Thief River

Falls), provides for the conveyance or sale of tax-forfeited land in Roseau County. S.F. 2184, sponsored by Sen. Gen Olson (R-Minnetrista), provides for the sale of tax-forfeited land in Hennepin County.

S.F. 2204, carried by Saxhaug, modifies provisions for the sale and disposition of surplus state lands, modifies state land management provisions and adds to state forests and wildlife management areas.

S.F. 2205, also carried by Saxhaug, removes land from the George Washington State Forest.

All of the measures were amended into the subcommittee's omnibus land bill, S.F. 2205.

S.F. 1988, authored by Sen. Dennis Frederickson (R-New Ulm), provides for the conveyance of surplus state land in Redwood County. The measure was approved and advanced to the full committee.

S.F. 2163, carried by Sen. Jim Vickerman (DFL-Tracy), authorizes land additions to state parks and recreation areas. The bill was amended into S.F. 2164. The bill, also sponsored by Vickerman, modifies the requirements for state parks and recreation area fees and deposits. The amended measure was advanced to the full committee.

## Environment, Agriculture and Economic Development Budget Division

### Bonding proposals heard

Members of the Environment, Agriculture and Economic Development Budget Division met for a marathon meeting Tues., Feb. 24, to consider a variety of individual bonding proposals. The panel, chaired by Sen. Dallas Sams (DFL-Staples), laid all the bills over for consideration for inclusion in the division's omnibus bonding proposal.

S.F. 247, authored by Sen. Sandra Pappas (DFL-St. Paul), appropriates \$5 million for design and construction of river's edge improvements in St. Paul and redevelopment of a public park on Raspberry Island. S.F. 1622, carried by Sen. Tom Saxhaug (DFL-Grand Rapids) appropriates \$3 million for a grant to the Western Mesabi Mine Planning Board to evaluate up to 10 specific proposals to alleviate flooding emanating from the abandoned Caniesteo Mine. S.F. 1629, sponsored by Sams, appropriates \$9.46 million for accelerated state trail development. S.F. 1607, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), appropriates a total of \$13.158 million for replace-



**Sen. Thomas Bakk (DFL-Cook) provides members of the Environment, Agriculture and Economic Development Budget Division a visual reference as he seeks bonding money for the development of the Gitchi Gami State Trail, Tues., Feb. 24.**

Photo by David J. Oakes



**As his father, Sen. Michael Jungbauer (R-East Bethel) looks on, eight-year-old Caleb tells members of the Environment, Agriculture and Economic Development Budget Division, Thurs., Feb. 26, what he likes best about the Oliver Kelley Farm in Elk River. Jungbauer was requesting bond money for land acquisition by the farm.**

Photo by David J. Oakes

ment of infrastructure damaged by flooding in Roseau and for replacement of civic facilities damaged by the flood. S.F. 1681, also carried by Stumpf, appropriates \$3.5 million for riverbank protection and erosion control for the city of Crookston. A third measure sponsored by Stumpf, S.F. 1682, appropriates \$1.25 million for improvements in the Red Lake Watershed.

S.F. 1851, sponsored by Sen. James Metzen (DFL-South St. Paul), appropriates \$1.2 million for a grant to the city of Inver Grove Heights for flood hazard mitigation. S.F. 1564, authored by Sen. Sheila Kiscaden (IP-Rochester), appropriates funds to develop a trail primarily for nonmotorized riding and hiking between Chester Woods County Park and the city of Eyota. S.F. 1585, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), appropriates \$840,000 for design of the Lake Links Trail between Ramsey and Washington Counties. S.F. 1596, carried by Sen. Jim Vickerman (DFL-Tracy), appropriates \$4.2 million for phase one of capital planning, acquisition and development of the Casey Jones Trail.

S.F. 1686, sponsored by Sen. Thomas Bakk (DFL-Cook), appropriates \$1.8 million for construction of a visitor center and maintenance shop at Grand Portage

State Park. S.F. 1611, authored by Sen. Carrie Ruud (R-Breezy Point), appropriates \$400,000 for installation of heavy riprap to protect the Paul Bunyan Trail along the southeastern shore of Lake Bemidji.

S.F. 1849, carried by Sen. Steve Kelley (DFL-Hopkins), appropriates \$1.128 million for flood hazard mitigation for the city of St. Louis Park. S.F. 2159, sponsored by Stumpf, appropriates \$3.4 million for the state share of flood hazard mitigation grants for the Roseau River Wildlife Management Area, Palmville, Malung and the Grand Marais Creek flood reduction project in the Red Lake Watershed District. S.F. 1684, carried by Sen. Dan Sparks (DFL-Austin), appropriates \$800,000 for the segment of the Shooting Star Trail from Taopi to Rose Creek.

The committee also heard bonding requests from the Department of Employment and Economic Development.

### **More bonding proposals heard**

Members of the Environment, Agriculture and Economic Development Budget Division held a second marathon meeting Thurs., Feb. 26, to finish reviewing bonding proposals. The panel, chaired by Sen. Dallas Sams (DFL-

Staples) took no formal action on the bills.

S.F. 268, authored by Sen. Linda Higgins (DFL-Mpls.), appropriates \$12 million to the city of Minneapolis for infrastructure improvements in empowerment zone subprojects. S.F. 661, carried by Sen. Gary Kubly (DFL-Granite Falls), appropriates \$2 million to the city of Olivia to establish a center for agricultural innovation. The bill requires a match from nonstate sources. S.F. 754, also carried by Kubly, appropriates \$1.775 million to the Board of Water and Soil Resources for a grant to the Lac Qui Parle-Yellow Bank Watershed District for the Prairie Farm Preservation Education and Exhibit Center.

S.F. 1146, sponsored by Sen. David Tomassoni (DFL-Chisholm), appropriates \$1.2 million for a grant to the Central Range Economic Development Initiative for predesign of projects that will promote economic development and have state-wide significance. S.F. 1749, also carried by Tomassoni, appropriates \$500,000 for the Central Iron Range Sanitary Sewer District. The measure was amended into S.F. 1146.

S.F. 1587, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), appropriates \$150,000 to the city of Maplewood to complete restoration of the Bruentrup farm. S.F. 1595, authored by Sen. Thomas Bakk (DFL-Cook), appropriates \$3.5 million for capital improvements to Lake Superior safe harbors. S.F. 1601, sponsored by Sen. Michael Jungbauer (R-East Bethel), appropriates \$700,000 to the Minnesota Historical Society to acquire about 50 acres of land adjacent to the Oliver Kelley Farm historic site.

S.F. 1610, authored by Sen. Carrie Ruud (R-Breezy Point), appropriates \$250,000 for a grant to the city of Crosslake for design and construction of a library. The measure also requires that at least \$500,000 be committed to the project from nonstate sources. S.F. 1644, sponsored by Sen. Bob Kierlin (R-Winona), appropriates \$125,000 for a grant to the city of Winona to predesign the Great River Shakespeare Festival Theater.

S.F. 1647, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), appropriates \$3.331 million for a grant to the Duluth entertainment and Convention Center for schematic design, design and



# Committee update

construction documents for a new Duluth arena. S.F. 1648, also carried by Solon, appropriates \$4.95 million to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations. The measure specifies that the appropriation is available when matched by \$1 secured or provided by the city for each \$1 of state money.

S.F. 1739, authored by Sen. Sheila Kiscaden (IP-Rochester), appropriates \$4 million for a grant to Olmsted County to design, construct and equip the county's municipal solid waste combustor by upgrading and expanding capacity with a third combustion unit. S.F. 1858, sponsored by Sen. Linda Berglin (DFL-Mpls.), appropriates \$3.5 million to design, construct, furnish and equip a new cultural and community center in the East Phillips neighborhood in Minneapolis. S.F. 1885, authored by Sams, appropriates \$25 million for grants under the greater Minnesota business development public infrastructure grant program. S.F. 1901, carried by Berglin, appropriates \$6.35 million to design, construct furnish and equip the Colin Powell Youth Center in Hennepin County. The facility is to provide educational, job training, counseling and other supportive services to disadvantaged youth.

S.F. 1920, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), appropriates \$250,000 to develop a plan to complete the Grand Rounds National Scenic Byway by providing a link between Northeast Minneapolis on Stinson Ave. and Southeast Minneapolis at East River Road. S.F. 1995, sponsored by Sen. Linda Higgins (DFL-Mpls.), appropriates \$24 million for a planetarium in conjunction with the Minneapolis downtown library.

S.F. 2013, authored by Pogemiller, appropriates \$9 million to acquire land for and design and construct public infrastructure improvement including a primary storm water management pond in the University Research Park project area. S.F. 2071, sponsored by Kubly, appropriates \$170,000 to Big Stone County to acquire and upgrade an excursion boat and to develop a dock for the board within the boundaries of Big Stone Lake State Park. The measure provides for the boat, dock and parking areas to be leased to the Bonanza Education Center.

S.F. 2207, authored by Sen. Richard Cohen (DFL-St. Paul), appropriates \$10 million for the renovation of the Ordway

Center for the Performing Arts. S.F. 165, also carried by Cohen, appropriates \$10 million for permanent and transitional supportive housing. S.F. 1695, sponsored by Tomassoni, appropriates \$2.5 million for a grant to the Laurentian Energy Authority to construct a wood yard for processing and prepping agricultural biomass and forest-derived biomass wood waste for biomass energy facilities.

## Health and Family Security

### Major health care bill heard

The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted the Tues., Feb. 24, meeting to hearing testimony on a major health care cost containment bill. Lourey said, "Eighty percent of Minnesotans want universal health care according to the Durenberger Commission on Health Care. The commission also found that most Minnesotans are willing to pay more to achieve that goal." She said, "We have a very short session, but it is imperative that something be done."

S.F. 1760, sponsored by Sen. Linda Berglin (DFL-Mpls.), requires the commissioners of commerce and health to establish premium growth limits for health plan companies, requires health plan companies to provide educational information to enrollees on the increased personal health risks and the additional cost to the health care system due to obesity and smoking, requires the implementation of electronic medical record systems and establishes an electronic medical record system loan program. The measure also requires the commissioner of human services to convene an advisory committee of providers who serve low-income patients to address their specific needs and concerns. The measure also provides that a clinical medical education program that trains pediatricians must include in its program curriculum training in medication management for children with mental illness in order to be eligible for MERC funds. Berglin said the measure also specifies that no health plan company is required to cover any health care service included in the list of services that do not work under evidenced based medicine.

The bill also extends the continuing care program for persons with mental illness to persons with mental illness who

are eligible for General Assistance Medical Care. Berglin said the provision allows hospitalization when no regional treatment facility bed is available. The measure includes teaching at a post-secondary program for at least 20 hours in the nursing field for mid-level practitioners and nurses as an option for participation in the loan forgiveness programs.

Berglin said the bill abolishes the cap on Medical Assistance dental services, reinstates the dental benefits in the MinnesotaCare program, abolishes the co-payments in General Assistance Medical Care and reinstates the ability of individuals and families to remain on MinnesotaCare if their income increases over the maximum eligibility level but is still less than 10 percent of the annual premium for a policy with a \$500 deductible available through the Minnesota Comprehensive Health Association.

The bill requires the implementation of disease management programs for Medical Assistance, General Assistance Medical Care and MinnesotaCare. In addition, the bill requires the implementation of a disease management program for Medical Assistance and General Assistance Medical Care recipients who are receiving services on a fee for service basis. The bill specifies that the commissioner establish a list of primary care providers who are qualified to act as case managers for the three most serious conditions to coordinate the care of the patients.

The measure establishes a MinnesotaCare option for small employers in order to allow the employers to offer health care to their employees. The bill spells out the requirements for participation and provides that the coverage provided is the MinnesotaCare covered services with all the applicable co-pays and coinsurance.

Sen. John Hottinger (DFL-St. Peter) explained the portion of the bill dealing with prescription drugs. He said most of the changes in the bill conform to recently passed federal legislation. In addition, the bill makes changes to the prescription drug discount program by eliminating the income limit on eligibility, making individuals who are enrolled in Medicare ineligible and changing the administration fee to an enrollment fee.

Berglin said the bill provides a rate increase of two-tenths of one percent to providers for employee scholarships and

job-related training in English as a second language. The measure also requires a disease management initiative for public health care program recipients who have been diagnosed with hemophilia in order to maximize the discounted prescription drug prices of the federal 340B program.

The bill also appropriates money for a nursing education loan forgiveness program, for a nursing and health care education plan and for the electronic medical record system loan fund.

The committee heard testimony from a wide range of individuals who have experienced difficulties under the current system and as a result of cuts made last year. George Greene, owner of a small business, spoke on the difficulty of providing affordable health insurance. Individuals with hemophilia, multiple sclerosis and diabetes spoke on the hardships in coping with the \$5,000 cap on drugs and medical supplies. Representatives from the Minnesota State Council on Disability, Courage Center and the National Alliance for the Mentally Ill spoke on the effect of co-pays. Bill Conley, Mental Health Association of Minnesota, and dental practitioners spoke on the limits for mental health care and dentistry imposed last year.

The panel also heard testimony in support of scholarships for nursing education and loan forgiveness. Dave Renner, Minnesota Medical Association, spoke on case management and Medical Assistance fee for service and pointed out some of the concerns of the MMA. In addition, Dr. Mary Braddoc, Minnesota Hospital Association, also pointed out concerns with the bill, including the mandate to develop electronic medical records systems and the \$10,000 cap on in-patient hospital care.

Beth Hartwig, Minnesota Business Partnership, said the partnership applauds the goal of the bill, but is cautious about restraining the growth of premiums because the market place needs flexibility to properly function. She said the partnership looks forward to working to identify creative solutions to the health care crisis. Julie Brunner, Minnesota Council on Health Plans, also said her organization has concerns about the limits on health care premiums.

Members began discussing particular portions of the bill, but laid the measure over because of time constraints.

## **Health care cost bill advanced**

The Health and Family Security Committee resumed discussion of S.F. 1760 at the hearing Thurs., Feb. 26. The bill, authored by Sen. Linda Berglin (DFL-Mpls.) makes numerous changes in order to control costs of health care.

"The bill has several components," Berglin said, "but a lot of what we are trying to do is keep people out of the deep-end of the health care system, which is the part of the system that is so much more expensive." The measure restricts health insurance premium growth rates, requires health plan companies to provide educational information on the increased personal health risks and costs due to obesity and smoking, extends the MinnesotaCare program to small employers, requires an electronic medical records system and provides bond appropriations for nursing and health care education.

Sen. Sheila Kiscaden (IP-Rochester) offered an amendment appropriating \$500,000 to allow the University of Minnesota Dental School to continue to take MA patients as it has in the past. The amendment was adopted. Sen. Steve Kelley (DFL-Hopkins) offered an amendment clarifying language relating to the electronic medical record system implementation.

Kiscaden expressed concerns with several provisions in the bill. She said she was troubled by the expansion of MinnesotaCare to small employers and the caps on premiums. She said the changes may erode the private market. Berglin said the expansion of MinnesotaCare allows small employers to do something for their employees and that there has not been an erosion of the private market in other states. Sen. Brian LeClair (R-Woodbury) moved to delete the provisions capping the growth of premiums. The motion failed on a 4-5 roll call vote.

The bill was approved and re-referred to the Committee on Education on a 6-3 roll call vote.

In other action, the panel also advanced two additional bills. S.F. 1699, sponsored by Committee Chair Becky Lourey (DFL-Kerrick), modifies Medical Assistance (MA) estate recovery provisions and eliminates recoveries for alternative care cost. The measure was approved and advanced to the Finance Committee.

S.F. 1991, carried by Berglin, also modifies MA estate recovery provisions. Berglin said the bill also attempts to buy back some of the cuts made last year in the Minnesota Family Investment Program (MFIP) through changing corporate tax provisions. The bill modifies the parental fee schedule, extends MA estate recovery to apply to the alternative care program and extends MA liens to apply to life estates and joint tenancies, repeals MFIP provisions that count \$50 of rental subsidy as unearned income and reduces the MFIP cash grant by \$125 for each supplemental security income recipient living in the household. Members adopted several technical amendments. Lourey offered an amendment that made a number of changes to the MFIP program. A second amendment, offered by Lourey, adds county adoption assistance payments up to an amount equal to state adoption assistance payments to income exclusions for purposes of MFIP-S eligibility.

LeClair offered an amendment to delete portions of the bill relating to taxes. LeClair said the provisions are anti-job creation. Berglin said she strongly opposed the amendment. "The bill needs those provisions in order to pay for restoring the cuts," Berglin said. The amendment failed. The bill was approved on a 4-3 roll call vote and advanced to the Tax Committee.

The first portion of the hearing was devoted to hearing public testimony on the state's nursing shortage.

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

### **Citizens forum report heard**

The first portion of the Thurs., Feb. 26, meeting of the Health, Human Services and Corrections Budget Division was devoted to hearing the recommendations of the Citizens Forum on Health Care Costs. The forum, chaired by former U.S. Sen. Dave Durenberger, spent November and December, 2003, conducting town hall meetings and informal listening sessions across the state to find out what Minnesotans want and expect from the health care system. An executive summary of the report was presented by Michael Scandrett, staff director of the forum.



# Committee update



**Recipient of the 2003 Nobel Prize in chemistry and Minnesota native Dr. Peter Agre, left, addresses members of the Higher Education Budget Division on the importance of science education, Tues., Feb. 24, as Augsburg College President William Frame looks on.**

Photo by David J. Oakes

Scandrett said there is a crisis of affordability and that major change is needed. "Isolated, band-aid approaches will not have a lasting effect," Scandrett said. He said that almost all Minnesotans agree on two fundamental principles: they want a responsive system where everyone gets the health care they need; and they want a privately-based health care system that offers as much choice as possible.

Scandrett said the report recommends putting Minnesotans in the driver's seat by providing more choices and control of their health care treatment with incentives for choosing higher quality, lower cost providers. The report also recommends fully disclosing costs and

quality so that Minnesotans can make informed decisions. Scandrett said the report recommends reducing costs through better quality and providing incentives to encourage health. The report also recommends assuring universal participation in the health care system, supporting new models for health care education, and reducing the cost of overhead and administration, Scandrett said.

The full report is available on-line: <http://www.mncitizensforum.org>.

In other action, the division, chaired by Sen. Linda Berglin (DFL-Mpls.) also heard several bonding proposals. S.F. 2136, sponsored by Sen. Sheila Kiscaden

(IP-Rochester), authorizes grants to assist counties to construct regional adult detention facilities. The measure appropriates \$40 million to provide the grants. Under the bill, grants of up to 25 percent of the cost of construction may be made to individual county applicants and grants of up to 75 percent of the cost of construction may be made to multicounty or county or groups of county and tribal government applicants.

S.F. 1795, authored by Sen. Carrie Ruud (R-Breezy Point), appropriates \$5 million for a grant to Cass County to construct a regional publicly operated jail. The measure requires a non-state match of a least \$6 million and allows adjacent

counties to participate in the project.

S.F. 2053, sponsored by Berglin, appropriates \$1.4 million for a grant to Hennepin County to renovate and expand the acute psychiatric service at Hennepin County Medical Center. The measure also requires a match of non-state funds. S.F. 2388, also carried by Berglin, appropriates \$5 million to remove asbestos and lead contamination from the site of the former Sears store near Chicago and Lake Streets and to construct space within that site for the Health Career Institute.

S.F. 1303, sponsored by Sen. Becky Lourey (DFL-Kerrick), appropriates \$500,000 for purchasing and placing cemetery grave markers or memorial monuments at cemeteries located at regional treatment centers.

No formal action was taken on the measures, but members did rank bonding priorities to be forwarded to the Capital Investment Committee.

## Higher Education Budget Division

### Private colleges present study

Representatives of Minnesota's private colleges presented the results of a study on meeting college costs to members of the Higher Education Budget Division when the panel met Tues., Feb. 24.

Larry Goodwin, president of the College of St. Scholastica, said the Private College Council recognizes that higher education is vital to Minnesota's economic future. Baccalaureate degrees are the entry-level credential needed for full participation in the knowledge economy, he said. Looking at demographics, Minnesota will need 500,000 new bachelor's degree holders in the next 10 years to offset the retirement of the baby boomer generation, he said. However, all of the state's public and private institutions are on track to produce only 230,000 graduates, Goodwin said. The council recognizes that funding for higher education is limited, he said, and decided to focus on determining the best way to leverage higher education dollars in Minnesota. David Laird, president of the council, said private colleges represent the fourth largest private employer in the state and bestow one third of the state's bachelor's degrees, but account for only

three percent of state higher education expenditures. Since 1968, he said, only two studies have been done on students' and families' experiences with college financing. A 1992 study underwritten by the Lilly Endowment, and encompassing the University of Minnesota, Minnesota State Colleges and Universities (MnSCU) and the private colleges, found that higher income families expected to receive high levels of public support for higher education, Laird said. Another finding of the 1992 study, he said, was that the median income of research university families is higher than the median incomes of families with students enrolled at either state colleges and universities or private colleges.

The most recent study, said Doug Shapiro, surveyed 501 graduates of the class of 2002 in early 2003. Shapiro, vice president of research for the private colleges, said the study showed that the average total amount of loans students took out to pay for college was \$22,100, which represents a 50 percent increase over the last 10 years. However, Shapiro said, 91 percent of respondents said borrowing money for college did not impact their choice of major or career. In comparing students who received state grant aid against those who did not, he said, no statistical differences were found in college attended, ability to graduate in four years or less or satisfaction with the college experience. He said there are also no statistical differences in average personal income for full-time employed graduates or the ability to find full-time employment between the two groups, even though there was a \$40,000 difference in family incomes between the groups when the students enrolled. Laird said the last statistic was among the most significant. It is a challenge to find another area in the state budget where that sort of transformation occurs, Laird said.

The full study is available from the Minnesota Private Colleges Council website at [http://www.mnprivatecolleges.com/research/images/collegcost\\_survey.pdf](http://www.mnprivatecolleges.com/research/images/collegcost_survey.pdf)

In other action, division members, chaired by Sen. Sandra Pappas (DFL-St. Paul), heard from Dr. Peter Agre on the importance of higher education. Agre is a 1970 graduate of Augsburg College, a professor at the Johns Hopkins University School of Medicine and the recipient of

the 2003 Nobel Prize for chemistry. "Nothing that any of us do anywhere is more important than the education of our children," he said. Agre said science teachers are more important than Nobel laureates for the nation's future. It is important for everyone to know about science, he said; otherwise, those without knowledge are at the mercy of others.

Division members also heard briefly from President Larry Litecky, Century College, and Allen Johnson, MnSCU associate vice chancellor for facilities, on a science laboratory project for which Century College requested bond proceeds. The project was not included in the governor's recommendations.

### Grant changes' impacts heard

Members of the Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Feb. 26, to hear about the impacts of state grant changes enacted in 2003 on higher education. The panel also heard a projection of available grant funds and the need for grant funds.

## Jobs, Energy and Community Development

### National Guard status bill okayed

The Jobs, Energy and Community Development Committee met Mon., Feb. 23, and took action on a variety of bills.

One of the measures sparking discussion, S.F. 1609, sponsored by Sen. Mady Reiter (R-Shoreview), prohibits employers from asking job applicants their armed forces reserve or National Guard status. Reiter said that applicants who have been asked the question have found it difficult to obtain employment. Dave and Peggy Peterson, whose son is currently serving in Iraq, said their son was unable to find a job when he answered truthfully about his guard status. Lt. Col. John Brossert, National Guard, also spoke in support of the bill. Members said the measure was similar to the prohibition on asking about pregnancy or marital status. The committee adopted an amendment to clarify that the provisions of the bill did not apply to employers using the information for purposes of veterans preference. The bill was approved and re-referred to the Agriculture, Veterans and Gaming Committee.



# Committee update

Members also approved a bill, S.F. 2044, prohibiting employers from using state funds to encourage or discourage union organizing. Sen. Scott Dibble (DFL-Mpls.), chief author, said the measure is similar to laws enacted in New York and California that require that state funds not be used when there is an issue of labor organization. He said funds are provided to a variety of entities, such as nursing homes for the care and quality of care of residents, and are not meant to be used to encourage or discourage labor union organization. Members adopted an amendment deleting a requirement for state agency rulemaking. The measure was approved and advanced to the Senate floor.

The committee also approved a bill, S.F. 1946, directing the commissioner of employment and economic development to conduct an extended employment pilot project. Chief Author LeRoy Stumpf (DFL-Thief River Falls) said the measure directs the commissioner to conduct the pilot project to study an industrial model for employment for individuals with severe disabilities at a company in Thief River Falls. The bill specifies that the pilot project maintain a minimum ratio of 60 percent of nondisabled persons, must pay minimum wages or better to all employees with severe disabilities and must provide them a level of benefits equal to those provided to nondisabled employees. In addition, the measure requires all work teams to be integrated. The bill was approved and advanced to the full Senate.

S.F. 2182, sponsored by Committee Chair Ellen Anderson (DFL-St. Paul), was approved and recommended for the Consent Calendar. The measure repeals the sunset of performance-based gas utility regulation.

Members also heard, but took no action on, a bill providing privacy protection to consumers of telecommunications, cable and Internet services. The measure, S.F. 1746, is sponsored by Sen. Ann Rest (DFL-New Hope).

## Climate change discussed

Members of the Jobs, Energy and Community Development Committee gathered Wed., Feb. 25, to hear from University of Minnesota researchers about climate change. The committee is chaired by Sen. Ellen Anderson (DFL-St. Paul).

We are facing the problems we have because humans have been extraordinarily successful, said Regents Professor of Ecology David Tilman. He said a consensus on climate change has been forged within the scientific community over the past several years. The world was demonstrably colder only a century ago, Tilman said, and it is now warmer than it has ever been in recorded meteorological history. Tilman reviewed how greenhouse gases cause global warming and how scientists collect data to determine historical trends. By 2095, he said, Minnesota's weather will be comparable to what is now the weather in Illinois or Oklahoma. For the future, he said, we need to become more energy efficient as a society and shift to new sources of energy. "Global warming is a fact," Tilman said. "The only debate is how warm it is going to be in the future," he said, and the only long-term solution is to reduce greenhouse gas emissions. He said the Earth can sustain projected population growth, but per capita consumption of resources must be reined in.

Peter Wyckoff, an assistant professor at the University's Morris campus, said the state's forests will retreat as the state warms. It is possible, he said, that Minnesota could become one large prairie state. Lucinda Johnson said Minnesotans are seeing a change in how they think of winter. Johnson, a senior research associate at the Natural Resources Research Institute in Duluth, said the state is moving toward slushier winters. Average minimum temperatures in February have risen from 6.5 degrees to 11.7 degrees Fahrenheit, she said, since 1891. The state is also experiencing much warmer summers, Johnson said. By the end of the century, she said, the state is likely to experience more precipitation in the winter and spring months, with less precipitation in the summer months. As a matter of policy, we need to reduce emissions, minimize other pressures on the environment and prepare for climate change, Johnson said.

The issue is not the economy versus the environment, said Steve Polasky, a professor of applied economics. There are costs on both sides of the equation, he said. Polasky reviewed the environmental costs of inaction and the economic costs of acting to reducing emissions. Meeting the Kyoto Protocol standards by 2010, he said, requires a 30 percent reduction in fossil fuel consumption.

## Judiciary

### Family law bills advance

Members of the Judiciary Subcommittee on Family Law, chaired by Sen. Thomas Neuville (R-Northfield), met Tues., Feb. 24, to consider three measures. All three bills were forwarded to the full Judiciary Committee.

Sen. Steve Dille (R-Dassel) carried two bills. S.F. 1841 increases the amount of the marriage license fee to be retained by counties, requires a portion of the fee to be deposited in the special revenue fund for an appropriation for the Minnesota healthy marriage and responsible fatherhood initiative and requires local registrars to annually report to the Department of Health the number of marriage licenses issued under the reduced fee for completion of premarital education. S.F. 1846 requires parents, involved in contested custody or parenting time cases, to participate in a parent education program for a minimum of ten hours. S.F. 2277, authored by Neuville, establishes standards and procedures for the emancipation of minors.

## K-12 Education Budget Division

### Insurance discussion continues

Members of the K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), continued their consideration of a study on school employee health insurance during their Tues., Feb. 24, meeting. Earl Hoffman, an actuary with Reden and Anders, reviewed the findings of the study and the various health plan options considered.

John Sylvester, director of management services for the Minnesota School Boards Association and a member of the study group, said the issue of employee health insurance is exceedingly complex and involved. The association is concerned about the possible impacts on individual districts if a mandatory statewide pool is adopted, he said. Sylvester said many districts could be characterized as "losers" under the proposal, seeing their health care costs rise with implementation of the proposal. The proposal also fails to solve core problems with health insurance, he said, and instead chooses to pass on costs to

others by avoiding paying into the state's high-risk health assessment.

We now have a complete look at what is wrong with health care as provided to school employees, said Lee Johansen, a negotiation specialist with Education Minnesota and a member of the study group. He said the mandatory pool proposal allows the state and districts to be nimble and adapt to changes in law quickly. Johansen said numerous elements of health insurance are still open to local negotiation under the proposal, including how much of the premium burden employees bear, how much employers contribute to health reimbursement accounts and how employees become eligible for insurance. The current system is unsustainable, Johansen said, and will create a state filled with "loser" districts. A larger pool ratchets down health care costs and creates stability, he said. It is not a realistic approach to insure over 300 school districts individually, Johansen said.

The assumptions in the work done by Reden and Anders are overly optimistic, said actuary Bill Bluhm of Milliman USA. He said savings assumed to come from administrative costs are unrealistic in that they assume the plan can receive top-of-the-line services from a third-party administrator while paying low-end prices. The rate stabilization reserve included in the study, he said, is about half of what the state employee insurance plan has found it has needed in the past two years. He also cited indications in the report that should serve as cautionary signals that insurers are not willing to provide aggregate stop-loss risk to the mandatory pool.

### **All-day kindergarten discussed**

The K-12 Education Budget Division met Wed., Feb. 25, and heard a bill relating to all-day kindergarten.

S.F. 2239, authored by Sen. Sharon Marko (DFL-Cottage Grove), provides funding for optional all-day kindergarten. The bill provides that a kindergarten pupil who is enrolled in an all-day, everyday kindergarten program is counted as 1.115 pupil units for FY 2006 and beyond. Marko said the bill does not create a mandate. She said, though, that should districts opt in, per pupil funding would increase from .557 to 1.115. Sen. Gen Olson (R-Minnetrissa) said some districts already offer all-day kindergarten

that parents support with additional funding. Sen. Steve Kelley (DFL-Hopkins) said the bill provides a benefit to families who are currently paying for the program.

The Superintendent of ISD #191, Ben Kanninen, spoke in support of all-day kindergarten. He said the district had a pilot program to see if all-day kindergarten was beneficial for students in the earliest grades and found that it was. In addition, Vicki Roy spoke on a study done that shows the long-term academic and social benefits for students participating in all-day kindergarten. Bill Swope, Marshall Public Schools, also spoke in support of the bill. The measure was laid over.

The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), also continued the discussion of the school employee insurance plan study. Members heard from insurance and health plan representatives who expressed concern about the concept of a mandatory pool structure. Several speakers said the administrative savings might not be as significant as indicated, some employees would have higher costs and less generous benefits, there is a significant difference in the impact at the school district level, there would be a significant impact on the insurance market and the proposal poses a significant loss for the Minnesota Comprehensive Health Association. However, a representative of Education Minnesota spoke in favor of the proposal.

## **State and Local Government Operations**

### **Tourism agency proposal gains**

A proposal to remove tourism development responsibilities from the Dept. of Employment and Economic Development and create a new state agency was approved by members of the State and Local Government Operations Committee during their Mon., Feb. 23, meeting.

S.F. 2009, authored by Sen. Thomas Bakk (DFL-Cook), creates a new office of Explore Minnesota Tourism, provides a detailed mission statement for the office and creates a 28-member council to oversee the agency's activity. The director of the new office is appointed by the governor, under the bill, but supervised by the commissioner of the Dept. of Employ-

ment and Economic Development (DEED). Bakk said the tourism industry is deeply concerned about reduced state support for tourism development activity. The industry has expressed an interest in helping the state elevate its tourism promotion activity and visibility. John Edman, director of the Office of Tourism in DEED, said tourism is a \$9 billion industry that employs 230,000 people in Minnesota. The state is being significantly outspent by its competition in Wisconsin, Illinois, Michigan and Missouri, he said.

Edman said DEED's strategic plan includes the separation of tourism promotion activity. The proposal is supported by the DEED commissioner and the governor, he said. The council created by the bill, he said, is charged with looking at other funding options for the future of tourism promotion. In the last five years, Edman said, the tourism office's budget has fallen from almost \$12 million to \$7.5 million, and staffing has fallen from 75 full-time equivalents to fewer than 50. Representatives of Hospitality Minnesota, the Minnesota Association of Convention and Visitors Bureaus and the Minnesota Tourism Alliance spoke in support of the measure. S.F. 2006 was re-referred to the Jobs, Energy and Community Development Committee.

Committee members also advanced S.F. 1903. Carried by Sen. Julie Rosen (R-Fairmont), the bill includes counties in the definition of "municipality" for the purpose of removal of hazardous property. The measure was amended to make it effective the day following final enactment and recommended for placement on the Consent Calendar.

In other action, the panel, chaired by Sen. Linda Higgins (DFL-Mpls.), heard from the University of Minnesota on its stadium proposal. Richard Pfitzenreuter, associate vice president in the University's Office of Budget and Finance, and Athletic Director Joel Maturi provided committee members with an overview of the \$222.2 million, 50,000 seat stadium to be located on campus, next to Mariucci and Williams Arenas. More information on the proposal is available from the University's website: <http://www.umn.edu/stadium>.

### **911 bills advance**

Two bills relating to the 911 emergency telephone service were studied at the Wed., Feb. 25, meeting of the State



# Committee update

and Local Government Operations Committee. S.F. 1972, sponsored by Sen. Jane Ranum (DFL-Mpls.), raises the 911 emergency telephone service fee to eliminate a deficit and to help defray the cost of operating public safety answering points (PSAPs). The measure also makes changes to the Metropolitan Radio Board.

Ranum said the bill increases the fee by 20 cents, with 9 cents going to the deficit, 10 cents earmarked for enhanced 911 service and 1 cent is slated for medical reserve communications center (MRCC). John Dejung, director, Minneapolis 911, said the current 10 cent allocation to the 911 Centers covers between 4 percent and 12 percent of the 911 Centers funding. "Not all of the centers' needs are covered with those revenues," he said. "The progress we have made and the public safety that it has provided will be in jeopardy if no action for the PSAPs or 911 Centers is taken," Dejung said.

Dr. R.J. Frascione, legislative co-chair for the Minnesota American College of Emergency Physicians, spoke on the needs of MRCCs. He said MRCCs are critical in the event of major emergencies and that current funding places existing MRCCs in jeopardy. The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), approved the measure and re-referred the bill to the Jobs, Energy and Community Development Committee.

The second measure, S.F. 1973, also carried by Ranum, makes changes to the governance of the Metropolitan Radio Board. Ranum said the bill removes the expiration date for the board, expands the membership and jurisdiction of the board to include members from Chisago and Isanti Counties and provides for requests to the Metropolitan Council for authorization and issuance of revenue bonds for the public safety radio communication system. Dave McCaulley, Anoka County commissioner and member of the board, said the board was created with several governing principles in mind—fiscal independence, user governance, local decision making and accountability to the electorate. He said the bill maintains the independent, yet regionally cooperative, nature of the board. The measure was approved and advanced to the Jobs, Energy and Community Development Committee.

Members also advanced three additional bills. S.F. 1859, authored by

Sen. Dallas Sams (DFL-Staples), authorizes agency heads to contract with national purchasing organizations for the purchase of goods. Gary Nytes and Mike Hajek of the North Central Services Cooperative said the bill offers efficiencies through volume purchasing. Kent Allin, Dept. of Administration, said the measure could spark contractual problems and that current purchasing, through the Dept. of Administration, must follow a number of laws relating to minority owned businesses and environmentally acceptable businesses. Members adopted an amendment requiring purchasing organizations to follow the same procedures as the department. The bill was approved and advanced to the full Senate.

S.F. 1799, authored by Sen. Claire Robling (R-Jordan), adds watershed districts to the list of governing bodies that may, by unanimous vote, contract for goods and services with an interested officer of the governmental unit. The measure was approved and recommended for placement on the Consent Calendar. Members also recommended that S.F. 1697 be placed on the Consent Calendar. The bill, authored by Sen. David Tomassoni (DFL-Chisholm), increases the threshold amount, from \$100,000 to \$150,000, for annual audits in towns and statutory cities.

## State Government Budget Division

### PSAP report heard

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), devoted much of the Tues., Feb. 24, hearing to discussion of a report on public safety answering point (PSAP) consolidation.

The report, presented by Charlie Peterson, Management Analysis Division, was mandated by legislation enacted in the 2003 session. Peterson outlined the methodology used, conclusions and recommendations. Peterson said the methodology included interviews, regional focus groups, line level staff focus groups, site visits, surveys, operational data, existing reports and studies and best practice interviews from other states. Peterson said the study showed PSAP consolidation can provide cost savings and public safety benefits under the right circumstances, but determining whether

those circumstances exist for specific PSAPs is difficult without detailed study. He said the study recommends that the state role in local consolidation be focused on incentives, rather than mandates and that the PSAP Advisory Committee recommends that the state appoint a committee to develop PSAP standards in six areas. The minimum standards for PSAP include performance, personnel, training, infrastructure, administration and governance.

Peterson said the study team concluded that PSAP consolidation is feasible and has the potential to offer cost saving and public safety benefits when the circumstances are right. Further, the study team recommends that PSAPs examine their operations to see if the circumstances exist and to consider consolidation as a means to save money and improve public safety, he said. In addition, the study team recommends that the state not mandate or coerce PSAP consolidation, but that funding incentives for consolidation be structured around cost-savings and public safety rather than consolidation as an end in itself, Peterson said. Finally, Peterson said the study recommends that jurisdictions exploring consolidation consider a governance structure similar to those used by Anoka County and the Red River Dispatch Center in Fargo, North Dakota.

The panel also heard a 911 fund status check and an update on the 800 megahertz radio system. Ranum said she wanted members to hear how the 911 fund was impacting the implementation of the 800 megahertz radio system.

### Bonding projects recommended

Members of the State Government Budget Division met Thurs., Feb. 26, to consider several bonding proposals.

Division Chair Jane Ranum (DFL-Mpls.) carried S.F. 2097, which clarifies that the share of contributing entities in bond-financed property must be determined on the fair market value of the property at the time the bond-financed betterment of the property began. S.F. 1495, authored by Sen. Steve Murphy (DFL-Red Wing), provides \$400,000 for a workers memorial on the Capitol grounds. Sen. Richard Cohen (DFL-St. Paul) sponsored S.F. 1975, which appropriates \$1 million to fund the pre-design costs of four to five biomass-fueled, municipal and state college or university-owned community heating and cooling systems.

The panel also approved, for recommendation to the Capital Investment Committee, a spreadsheet of bonding proposals it has heard this year. The document includes 17 proposals, in priority order: a World War II veterans memorial, Dept. of Military Affairs asset preservation, Dept. of Military Affairs facility life and safety improvements, indoor range abatement and conversion for the Dept. of Military Affairs, Capitol interior renovation design, Capitol building repair, Dept. of Transportation headquarters exterior maintenance, the statewide asset preservation account (CAPRA), agency relocation and asset preservation for properties maintained by the Dept. of Administration. The final seven priorities are demolition of the Ford Building, energy retrofitting, parking facilities, phase two of the National Volleyball Center in Rochester, the workers memorial, the bio-mass energy systems proposal and a regional public safety training center in Rochester.

## Taxes

### TIF bills considered

Members of the Tax Committee met Tues., Feb. 24, to consider several bills dealing with tax increment financing (TIF) districts. Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the committee, said the measures would be laid over and ranked according to the A – E scale the panel uses to consider bills for inclusion in an omnibus bill.

S.F. 1778, sponsored by Sen. Bob Kierlin (R-Winona), modifies the authority to extend TIF districts to offset deficits. The measure also establishes a state grant program to offset deficits caused by the 2001 property tax reform. The measure was placed on the B list.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 1983. The measure extends the time to expend tax increments in TIF district number 3 in Brooklyn Center. The bill was placed on the B list. S.F. 2261, carried by Sen. Steve Murphy (DFL-Red Wing), authorizes the extension of a redevelopment district in the city of Wabasha. The measure was approved for the B list. S.F. 2278, authored by Sen. Mee Moua (DFL-St. Paul), authorizes housing districts containing mixed-income occupancy. The bill was placed on the A list.

Members also considered S.F. 103. The bill, sponsored by Sen. Richard Cohen (DFL-St. Paul), makes permanent the limited market value law. The measure was placed on the C list.

### Taconite aid elimination from local government aid discussed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Wed., Feb. 25, to consider two bills that eliminate the offset for taconite aids from the local government aid formula.

S.F. 2100, sponsored by Sen. Thomas Bakk (DFL-Cook), eliminates taconite aids from the computation of city formula aid in the local government aid formula. The measure also makes other changes in calculating the local government aid formula, but Pogemiller said the committee was focusing only on the taconite provision. The panel designated the bill for the B list.

Sen. Dean Johnson (DFL-Willmar) authored S.F. 1577. The measure eliminates the offset for taconite aids from the computation of city formula aid in the local government aid formula. The bill also provides that for aids payable in 2005, the total aids are limited to \$438.052 million. The measure was set aside.

Members also spent a portion of the meeting hearing an update on JOBZ from Commissioner Matt Kramer, Dept. of Employment and Economic Development.

## Transportation Policy and Budget Division

### Bonding proposals heard

Members of the Transportation Policy and Budget Division devoted their Tues., Feb. 24, meeting to consideration of bonding proposals. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), did not take action on the measures, but laid them over for consideration for inclusion in the division's omnibus proposal.

Kevin Gray, assistant commissioner MnDOT, began the hearing with an overview of the department's 2004 bonding proposals. The committee also heard three additional bills.

S.F. 1897, authored by Sen. John Hottinger (DFL-St. Peter), appropriates

\$15.72 million in trunk highway bonds for a district headquarters building in Mankato. S.F. 1952, sponsored by Sen. Keith Langseth (DFL-Glyndon), authorizes \$83.5 million in state transportation bonds for local bridge replacement. The measure specifies that \$13.5 million of the total be used for the Sauk Rapids Bridge.

S.F. 1955, also carried by Langseth, authorizes \$125 million in general obligation bonds for the local road improvement program. The measure also abolishes the authority to use program money for loans and establishes a rural road safety program in the local road improvement fund.

Members heard extensive testimony from representatives of various county organizations, the League of Minnesota Cities, the Minnesota Transportation Alliance and county engineers.

### Traffic bills advance

The Transportation Policy and Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), met Thurs., Feb. 26, to hear a variety of bills dealing with traffic provisions.

S.F. 1674, sponsored by Sen. Brian LeClair (R-Woodbury), alters the length limitation from the definition of residential roadway. Current law defines a residential roadway as a street or portion of a street that is less than one half mile in length and is functionally classified as a local street by the road authority having jurisdiction. The bill originally changed the length to one mile, but after members expressed concern about the statewide nature of the bill, an amendment was adopted to change the length to three fourths of a mile. S.F. 1852, authored by Sen. Mady Reiter (R-Shoreview), requires vehicles to wait at railroad crossings until the roadway is clear for at least 10 feet past the farthest railroad track. Reiter said the bill is in response to vehicles that have been hit because they have been stopped by a traffic signal or congestion.

S.F. 1813, carried by Sen. Betsy Wergin (R-Princeton), allows a vehicle that is operated by a volunteer firefighter to display flashing blue lights when the individual is responding to an emergency call. S.F. 1592, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), establishes a speed limit of 25 miles per hour in school zones. The bill also allows a local road authority, by agreement with



# Committee update

a school board, to lower a school zone speed limit below 25 miles per hour on a road that is not a trunk highway. On a trunk highway, the bill specifies that the school zone speed limit may be raised or lowered only by agreement between the commissioner of transportation and the school board. S.F. 1584, also sponsored by Wiger, prohibits the sale and unauthorized use and ownership of mobile infrared transmitter devices to change traffic lights.

S.F. 1788, sponsored by Sen. Dave Kleis (R-St. Cloud), requires an applicant for a driver's license renewal to re-take the written test if the applicant has received a warning letter or attended a preliminary hearing as a habitual violator. The measure also requires an applicant to re-take the road examination if the applicant was at fault in two or more crashes or had driving privileges suspended as a habitual violator. S.F. 1910, carried by Sen. Mark Ourada (R-Buffalo), makes technical corrections to conform state law to federal regulations relating to truck driver hours.

All of the measures were approved and advanced to the full Finance Committee.

Members also heard a bill, S.F. 1676, requiring peace officer vehicles to have the lights and markings covered when driven by someone other than a peace officer. Members had numerous questions on the bill and the measure's author, Sen. Mee Moua (DFL-St. Paul), asked that the bill be laid on the table.

## 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.

## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billsublogin.asp>

## 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.mn>) 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.

The House of Representatives Web page (<http://www.house.mn>) 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.mn>) 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.

## Frequently called numbers

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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Second graders from Breck School in Golden Valley and their parents gather in the Capitol Rotunda, Thurs., Mar. 4, for an event, sponsored by the American Heart Association, highlighting the importance of health and physical education.*

*Photo by David J. Oakes*



March 5, 2004



# Senate Highlights

## Child support bill gains

A bill changing the state's child support guidelines to an "income shares" model was approved by members of the Judiciary Committee as the panel continued its Thurs., Mar. 4, meeting. The panel, chaired by Sen. Don Betzold (DFL-Fridley), limited its consideration of the proposal to a series of amendments offered by Sen. Thomas Neuville (R-Northfield), chief author of the bill.

H.F. 778 walks a fine line between interested parties, Neuville said. Some think the bill reduces child support obligations too far, he said, while others argue the bill does not go far enough in reducing obligations. Every case in family law is different, Neuville said, and lawmakers cannot anticipate every situation.

Committee members adopted all the amendments Neuville offered. One of the amendments permits courts to limit child care expenses to the market rate, as determined by the Dept. of Human Services, if market-rate child care is proven to be available by the obligor. If market-rate child care is not available, Neuville said, the obligor must pay the actual rate for child care. Another amendment clarifies existing permission granted to reduce child support debt or arrearages if all parties agree to the reduction. The Dept. of Human Services must request the University of Minnesota and a university in the MnSCU system to conduct separate economic analyses of the child support guidelines of the bill, under another amendment. Jennifer Hamm, a

parent, said the need for the study confirms that the guidelines in the bill are not based on reliable data. She urged the panel not to approve changes in child support until the study has been completed. The study must be reported to the Legislature by Jan. 15, 2005, Neuville said, and the new guidelines do not take effect until 2006. There will be time to adjust the guidelines if the economic analyses show such action is needed, he said. Another amendment provides for a parenting time adjustment and presumes that noncustodial parents are entitled to 30 percent overnight parenting time per year. The amendment delinks time and money, Neuville said, while encouraging noncustodial parents to spend more time with their children.

Members also adopted an amendment, offered by Betzold, providing that the burden of proof when considering a request to move a child out of state, and when applying a best interests standard, is on the parent requesting to move the child. Betzold said the provisions in the amendment had already passed the Senate, last year, in S.F. 566. H.F. 778 was approved and re-referred to the Finance Committee.

In other action, committee members approved S.F. 1841 and advanced the measure to the Finance Committee. Authored by Sen. Steve Dille (R-Dassel), the bill transfers responsibility for issuing marriage licenses from the court administrator to the local registrar. The bill also establishes an initiative to promote marriage and responsible fatherhood among unmarried urban parents who are expecting or have recently had a child. Dille also carried S.F. 1846, which expands the parent education program requirements to include all cases involving children, not just contested custody cases. The measure also requires the program to be for at least 10 hours and requires parents to begin participation in the program within 45 days of receiving the summons. The bill was laid over for interested parties to resolve concerns raised by committee members relating to the feasibility of widespread compliance with the expanded requirements.

## Job reference bill passed

Senators met for a brief floor session Mon., Mar. 1, to consider bills on the Senate Calendar and Consent Calendar. The members granted final passage to a bill, H.F. 480, sponsored by Sen. David

Knutson (R-Burnsville), which provides protection to employers for job reference information. The bill was granted final passage on a 63-1 roll call vote.

Several other bills also gained final passage on the Calendar. S.F. 1626, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), makes changes regarding storm and sanitary sewer authorizations. S.F. 148, sponsored by Sen. John Marty (DFL-Roseville), increases the disclosure of contributions and expenditures for local political campaigns. S.F. 1745, also authored by Knutson, makes numerous technical changes to trust law and makes technical changes to guardianship and conservatorship law.

Four measures on the Consent Calendar also gained final passage. S.F. 2063, sponsored by Sen. James Metzen (DFL-South St. Paul), clarifies local government collateralization requirements. S.F. 1814, sponsored by Wiger, authorizes the Metropolitan Council to use electronic funds transfer. S.F. 1815, carried by Wiger, authorizes the State Board of Investment to invest funds or assets of the Metropolitan Council upon request. S.F. 1903, sponsored by Sen. Julie Rosen (R-Fairmont), includes counties in the definition of municipality for purposes of removal of hazardous buildings or hazardous property.

## Rules approved

The key item of business before members at the Thurs., Mar. 4, floor session was debate and approval of the Permanent Rules of the Senate. S.R. 59 was laid on the table last year. The Senate has been operating under temporary rules up until now. Sen. Ann Rest (DFL-New Hope), chair of the Subcommittee on Permanent and Joint Rules, moved an amendment that updates the list of standing committees and clarifies the procedure for the comparison and substitution of House bills. The Rest amendment was adopted.

Rest offered another amendment specifying that a House amendment to a Senate bill is not germane to the Senate bill, a motion to concur in the House amendment is out of order. Rest said the change is intended to deal with situations in which a totally unrelated bill comes back from the other body similar to instances that occurred last year. Kleis argued against the amendment and said the body has the ability to vote on issues

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes



*From left to right, Senators John Hottinger (DFL-St. Peter), Satveer Chaudhary (DFL-Fridley) and Jane Ranum (DFL-Minneapolis) converse during a recent floor session.*

Photo by David J. Oakes

that come from the House. Sen. Don Betzold (DFL-Fridley) said the presiding officer of the other body has the authority to not bring bills to the floor of that body, but that the Senate acts on bills that come from the House. The amendment was adopted on a 36-20 roll call vote.

Betzold offered an amendment specifies that confirmation of a gubernatorial appointment requires an affirmative vote of a majority of the whole Senate. He said it is unclear whether a majority of those present or a majority of the members is needed for confirmation of appointments. The amendment was adopted.

Sen. Steve Dille (R-Dassel) offered an amendment to allow members to face the body during debate, rather than addressing the president. Sen. William Belanger (R-Bloomington) said addressing the presiding officer helps to keep the debate to issues instead of personalities. The amendment failed.

Sen. Thomas Neuville (R-Northfield) offered an amendment providing that each caucus may designate three priority bills that must be heard. Neuville said the amendment protects the minority by guaranteeing a public hearing and a vote on policy issues. He said the amendment prohibits a tax or spending bill from being designated a priority bill. Rest said, "We

do have an open committee process and chairs who are willing to hold hearings on all issues." The amendment was not adopted.

The resolution was adopted on a 36-29 roll call vote.

Members also granted final passage to several bills on the Consent Calendar. Bills are placed on the Consent Calendar by a recommendation of a standing committee and are considered non-controversial. H.F. 1794, sponsored by Sen. Keith Langseth (DFL-Glyndon), decreases the minimum required local contribution—from 10 percent to 5 percent—for federally funded airport projects. S.F. 2182, carried by Sen. Ellen Anderson (DFL-St. Paul), repeals the sunset of performance-based gas utility regulation. S.F. 2137, authored by Sen. Gary Kubly (DFL-Granite Falls), increases the per acre ceiling amount for public cemeteries' perpetual care fund from \$25,000 to \$35,000. S.F. 1697, sponsored by Sen. David Tomassoni (DFL-Chisholm), increases the threshold amount for annual audits in towns and statutory cities from 100,000 to \$150,000. S.F. 1799, carried by Sen. Claire Robling (R-Jordan), clarifies conflict of interest for watershed district and soil and water conservation district officers.

Kleis moved to remove S.F. 2190 from committee and place the measure on General Orders. The bill, authored by Kleis, proposes a constitutional amendment to authorize general obligation bonding proceeds to be used to pay a bonus to Minnesota residents who served as members of the United States military during the Global War on Terrorism. He said there is precedent for the amendment because bonuses were awarded to veterans of other wars. Kleis said he had requested a hearing on the bill, but that the measure had not been heard. He noted that a bill relating to veterans had cleared committee, but an amendment offered to provide for the constitutional amendment was defeated in committee. "I believe it is important that we show support for our veterans and allow Minnesotans to support our veterans and show their appreciation," Kleis said.

Sen. Steve Murphy (DFL-Red Wing) spoke against the motion. He said the issue needs to be studied, as the bill approved in committee requires, before providing for a veterans bonus. He said the last thing anyone wants is to hold out a false promise to veterans. We need to find out how many soldiers are in harm's way and where they are serving before promising a bonus, he said.

The motion did not prevail on a 31-35 roll call vote.



# Committee update

## Agriculture, Veterans and Gaming

### Military benefits bill gains

A bill providing various benefits to members of the National Guard or armed forces reserves, veterans or their families gained the approval of members of the Agriculture, Veterans and Gaming Committee Wed., Mar. 3. The panel advanced the measure to the full Senate.

Committee Chair Jim Vickerman (DFL-Tracy) carried S.F. 2483, which requires counties to reserve a military family's positions under the child care assistance fund and on the basic sliding fee waiting list if the family has been receiving assistance but is temporarily ineligible due to increased income from active duty service. The bill also prohibits prospective employers from inquiring about a job applicant's status in the National Guard or reserves. Tuition reimbursement at public institutions of higher education for members of the National Guard is changed from 80 percent to up to 100 percent, under the bill. Responsibility for veterans' educational programs is transferred from the commissioner of education to the commissioner of veterans affairs by the bill. S.F. 2483 also requires school districts to pay a salary differential to active-duty members of the National Guard or armed forces reserves and requires the commissioner of veterans affairs to report to the Legislature, by Jan. 15, 2005, on information needed to implement a global war on terrorism bonus to veterans, including service eligibility dates, service medals and projected costs.

Sen. Betsy Wergin (R-Princeton) offered an amendment removing the report on the bonus and providing for a proposed constitutional amendment permitting the payment of bonuses to veterans of the global war on terrorism. The constitutional amendment is put before voters in the 2004 general election. We should be authorizing a bonus now, Wergin said, not studying the issue and waiting. Without a study, we will not know how much a bonus will cost, how many veterans will be eligible for it and other important details, said Sen. Steve Murphy (DFL-Red Wing). We do not promise to veterans something we cannot deliver, Vickerman said. Sen. Sean



**Sen. Debbie Johnson (R-Ham Lake), left, signs her name to become a co-author of a bill as Sen. Bill Belanger (R-Bloomington) observes on the Senate floor.**

Photo by David J. Oakes

Nienow (R-Cambridge) said the amendment has no cost. The Legislature can wait to pay the bonuses, he said, but should get a mandate from the people to provide the bonus. Sen. Steve Dille (R-Dassel) noted that previous bonuses—including those for Vietnam and Gulf

War veterans—were approved by the voters. The amendment was defeated on a voice vote. Members then amended the provisions of S.F. 2483 onto S.F. 2260. Vickerman, chief author of both bills, said S.F. 2260 will serve as the vehicle for veterans' provisions.

In other action, committee members voted to approve the appointments of Jeffrey Olson as commissioner of veterans affairs and of five members of the Minnesota Veterans Home Board of Directors: Frank Budd, Mel Euteneuer, Lawrence Greenberg, Jeffery Johnson and Dan Williams. The panel also heard from Maj. Gen. Larry Shellito, adjutant general, on the status of Minnesota's National Guard forces.

## Commerce

### Reconveyance regulation gains

A bill regulating the practice of foreclosure reconveyance was the focus of discussion at the Wed., Mar. 3, meeting of the Commerce Committee. Foreclosure reconveyance involves a series of financial transactions transferring the title of real property by a foreclosed homeowner during a foreclosure proceeding to a third party and the conveyance of the property back to the foreclosed homeowner after the foreclosure proceedings have concluded.

Sen. Ellen Anderson (DFL-St. Paul), chief author, said S.F. 2412 is aimed at addressing fraudulent practitioners of foreclosure reconveyance, also known as "equity strippers." She said several unique factors—including rapidly rising home values and the recent recession—have combined to create a situation where many homeowners are facing the possibility of foreclosure and are being preyed upon by equity strippers. Assistant Attorney General Prentiss Cox said homeowners are losing substantial equity to equity strippers. The average loss is \$50,000, though others have lost well into the six figures, he said. The bill excludes banks and credit unions, Anderson said, because those institutions are already heavily regulated. The measure creates a licensure system, under the supervision of the attorney general, for individuals involved in the business of foreclosure reconveyance, lists prohibited practices, provides for enforcement and requires homeowners to be given notices about where to obtain foreclosure advice. Cox said the bill is "targeted and will have almost zero impact on legitimate commerce." It is currently hard to litigate cases involving unethical reconveyance, he said, but the bill gives the Attorney General's Office an efficient administrative handle on the practice. Anderson

noted that the issue of equity stripping has been identified as a key priority of the governor. The governor and Dept. of Commerce, she said, have their own proposal to regulate foreclosure reconveyance. "We will move forward in a cooperative spirit," she said, to address equity stripping.

"We need a bill with teeth," said Paul Satriano, vice chair of Minnesota ACORN. He said the group has engaged in consumer education efforts and held community forums on the issue of equity stripping. ACORN has identified cases of stripping in communities stretching from Cokato to the Wisconsin border and from Big Lake to Hastings, Satriano said. The problem is not just in the central cities or inner-ring suburbs, he said.

When the Department of Commerce began investigating cases of alleged equity stripping, it quickly became clear that the law needed to be strengthened, said Commissioner Glenn Wilson. He said the department's proposal takes a different approach from the bill and focuses on deterring the unethical activity. Gary LaVasseur, enforcement director in the department, said the proposal establishes an economic deterrent to equity stripping, creates a private cause of action, establishes criminal penalties and includes the vast majority of prohibited practices that are in S.F. 2412. It is difficult to get attorneys to litigate equity stripping cases, he said, because the likelihood of a court awarding damages and attorney fees is currently low. The department's proposal includes damages and attorney fees, LaVasseur said, and provides for triple damages if a court determines an exemplary damage award is appropriate. Many persons engaging in equity stripping are already licensed professionals of some sort, he said, and the department does not believe creating a new licensure structure is needed. "The way to hit these people is the economic deterrent," LaVasseur said. He said staff from the Attorney General's Office and the Department of Commerce have a meeting scheduled and hope to reach agreement on the best approach to solve the commonly identified problem.

Several homeowners urged lawmakers to be careful in their regulation of the industry. John Engelking, a Stearns County resident, and Pen Macklin, from Olmsted County, recounted their positive experiences with foreclosure reconveyance. Engelking said homeowners in-

involved in foreclosure essentially have their options reduced to moving out or selling the house. No financial institution will refinance the home, he said. "My equity was already stripped, by the foreclosing lender," Engelking said, but the foreclosure reconveyance allowed him to keep his home. "I would have done anything or said anything to save my home," he said. Real estate attorneys and representatives of the Minnesota Responsible Property Investors (MRPI) also urged lawmakers not to overreach in their attempt to regulate the industry. Former Commerce Commissioner Jim Bernstein, a consultant representing MRPI, said the foreclosure reconveyance process does not help everyone, but it does help some. By the time a homeowner is being foreclosed on, he said, desperation has set in and reconveyance is a lifeline. Avoiding foreclosure saves families, Bernstein said, and empty houses do not help neighborhoods.

Sen. Sheila Kiscaden (IP-Rochester) moved to lay S.F. 2412 on the table. There is agreement the issue is important, she said, and that Anderson should take the lead on the Senate position. An agreement reached between the Dept. of Commerce and Attorney General's Office should come before the committee, Kiscaden said, and then move speedily forward. Anderson said she preferred to move the bill forward to avoid running afoul of committee deadlines. The motion to table the bill was defeated. S.F. 2412 was approved and re-referred to the Judiciary Committee.

## Crime Prevention and Public Safety

### Methamphetamine bills heard

The Crime Prevention and Public Safety Committee met Wed., Mar. 3, to hear a series of bills dealing with methamphetamine crimes.

The first measure discussed, S.F. 1775, is very similar to a bill that passed the Senate last year. The measure, sponsored by Sen. Dan Sparks (DFL-Austin), makes it a felony to manufacture controlled substances the presence of a child. Current law specifies that it is child endangerment if parents or guardians manufacture controlled substances in the presence of their child. The bill provides that the defendant need not be a parent,



# Committee update

guardian or caretaker of the child, nor is it necessary to prove harm to the child. Terese Amazi of the Mower County Sheriff's Office spoke in support of the measure.

Sen. Satveer Chaudhary (DFL-Fridley) sponsored the second bill, S.F. 2148. The bill establishes new methamphetamine related crimes. "Methamphetamine manufacture and use is unique among drug crimes," Chaudhary said. He said methamphetamine is extremely addictive and withdrawal is more intense and long-lasting than other drugs. He said labs have been discovered in storage facilities, hotel and motel rooms as well as private residences. After a lab has been shut down, the property is usually found to be very contaminated, Chaudhary said. Methamphetamine can be produced from chemicals that are readily available and changes in the chemicals can lead to unplanned interactions and explosions, he said. "Children are particularly vulnerable to exposure to chemicals used in methamphetamine manufacture," Chaudhary said. Bill Klumpp of the Attorney General's Office spoke in support of the measure.

Sen. Julie Rosen (R-Fairmont) authored a third measure, S.F. 1580, which also makes a number of changes relating to methamphetamine crimes. The bill regulates the sale of methamphetamine precursor drugs, such as cold remedies, authorizes the reporting of suspicious transactions involving precursor drugs, requires a methamphetamine education program for retailers, increases the criminal penalties for possessing substances with the intent to manufacture methamphetamine, establishes new methamphetamine related crimes and establishes a methamphetamine laboratory cleanup revolving fund.

Rosen said the bill is a comprehensive measure developed with the Methamphetamine Task Force. The bill also makes it a felony to manufacture methamphetamine in the presence of a child or vulnerable adult, Rosen said. In addition, one section of the bill adds two new crimes dealing with anhydrous ammonia. Rosen said, "Ninety percent of the methamphetamine manufactured in Minnesota uses anhydrous ammonia." Rosen said the labs are a danger to first responders, neighborhoods and communities throughout the state.

Paul Stevens, Bureau of Criminal Apprehension, said over the last year, about 5,000 properties have been con-

taminated by methamphetamine. About 30 to 50 percent of the properties have children on the premises, Stevens said. He said the effects of the drug are very dramatic and that users are very addicted to the drug. "The bill is an attempt to get ahead of the curve," Stevens said. Rosen said treatment facilities are just beginning to develop programs to cope with methamphetamine addiction.

Sheriff Brad Gerhardt, Martin County, said the daily average number of persons in the county jail has gone from 24 to 32, primarily because of methamphetamine crimes. "Awareness and collaboration are the keys to fighting methamphetamine crimes," he said.

LuAnn Soyering, a parent whose adult child succumbed to meth addiction, told the story of her son's addiction and death. Nancy Schouweiler, Dakota County commissioner, spoke on behalf of the Association of Minnesota Counties and the Metropolitan Inter-County Association and said dealing with methamphetamine crimes is a severe drain on county resources.

Buzz Anderson, Minnesota Retailers Association, Julie Johnson, Minnesota Pharmacists Association and Abby Parta, Minnesota Grocers Association, spoke on the concerns the organizations have with the bill. Anderson said the Retailers Association is concerned about the age restrictions on the sale of over-the-counter nonprescription drugs. "We are asking clerks to card people for certain over-the-counter drugs," Anderson said, "It is difficult from a practical standpoint to ask clerks to discriminate between thousands of products." Johnson spoke on the product placement requirements outlined in the bill. "The logistics of placing the products behind the counter is difficult," she said. Parta said the Grocers Association echoes the concerns about age restrictions and product placement. Nancy Buker, Consumer Health Products Association, said members of the association are very concerned about the methamphetamine problem. However, she said the association also has a problem with the age limits and placement requirements in the bill. All four individuals commended Rosen for continuing to work with interest groups to address the concerns.

Olmsted County Sheriff Steve Borchardt said one of the differences between methamphetamines and other

drugs, such as crack or ecstasy, is that every meth lab is a potential bomb and hazardous waste site. Rosen said, "We are on the cusp of an epidemic in this state and we cannot delay."

Committee Chair Leo Foley (DFL-Fridley) said the bills would be laid over and that a comparison of the proposals would be available in order to more easily assess similarities and differences. Foley said the committee would act on a single proposal at a later hearing.

## Early Childhood Policy and Budget Division

### Informational hearing held

Members of the Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter), met Thurs., Mar. 4, to hear information on a variety of areas.

The panel heard from Betty Cooke, Dept. of Education, and Barbara O'Sullivan, Dept. of Human Services, about an initiative to assess students' readiness for school. Hennepin County Commissioner Gail Dorfman, Hennepin County Program Manager Carol Miller and Ramsey County Human Services Planner Deborah Schlick spoke about the impact on families and children of budget cuts made to early childhood programs in 2003. A birth defects information system was reviewed by Phil Griffin, Marianne Keuhn and Robb Vaules, all representing the March of Dimes.

## Education

### Additional standards considered

Two proposals adding required academic standards were before members of the Education Committee Thurs., Mar. 4. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), laid both bills over for possible inclusion in the omnibus education policy bill.

S.F. 1882, authored by Sen. David Tomassoni (DFL-Chisholm), adds physical education and health as academic standards, and requires instruction in the subjects, in public schools. Kathryn Schmitz, an assistant professor of epidemiology at the University of Minnesota, reviewed information about the rising incidence of obesity in the nation, especially among youths, and about studies examining the effectiveness of



**Sen. Julie Rosen (R-Fairmont), left, consoles LuAnn Soyryng of Detroit Lakes as she relates the story of her son's 2002 methamphetamine-induced suicide to members of the Crime Prevention and Public Safety Committee, Wed., Mar. 3. Rosen was carrying a bill relating to methamphetamine crimes.** Photo by David J. Oakes

physical education. S.F. 1742, carried by Sen. Sandra Pappas (DFL-St. Paul), adds world languages as an academic standard. Instruction in world languages, she said, leads to higher achievement levels on standardized tests. Compelling cases can be made for requiring instruction in physical education, world languages and a host of other areas, said Scott Croonquist of the Association of Metropolitan School Districts. There is a long list of instructional areas schools have added over the years, he said, while no time has been added to the school day. School boards are empowered, and should be trusted, to make decisions and choices regarding

issues such as what to offer in classrooms, the size of classes and fees to be charged. Grace Schwab, Minnesota School Boards Association, said school boards already have difficult funding decisions to make without the pressure of additional requirements. Charlie Kyte said the Minnesota Association of School Administrators must reluctantly oppose the bills because schools are already boxed in by mandates. S.F. 1882, Kyte said, roughly doubles the amount of instructional time devoted to physical education.

In other action, the panel re-referred S.F. 1760 to the Commerce Committee. Sponsored by Sen. Linda Berglin (DFL-

Mpls.), the bill is aimed at containing health care costs. Two provisions in the bill were before the committee. One requires clinical medical education programs that train pediatricians, and that seek MERC funds, to include in their program curricula training in medication management for children suffering from mental illness. The other provision creates a task force to make recommendations on the role of public schools in improving the health status of children.

## Environment and Natural Resources

### Mercury switch bill gains

A bill requiring motor vehicle manufacturers to establish a mercury switch collection program was approved by members of the Environment and Natural Resources Committee at the panel's Wed., Mar. 3, meeting. S.F. 1934, sponsored by Sen. Scott Dibble (DFL-Mpls.), was advanced to the Finance Committee.

The committee, chaired by Sen. John Marty (DFL-Roseville), also considered three other bills. S.F. 1603, authored by Sen. Ann Rest, is a resolution urging the International Joint Commission to maintain its vigilance in opposing diversion of Great Lakes waters and to support the prompt resolution of all issues related to the finalization of Annex 2001. The bill was sent to the Senate floor. S.F. 2125, sponsored by Sen. Rod Skoe (R-Clearbrook), permits ice houses to be on the ice between midnight and one hour before sunrise after March 15 in northern Minnesota. Under the bill, ice houses must not be unattended during those hours. The measure was advanced to the Senate floor. Sen. Michael Jungbauer (R-East Bethel) carried S.F. 1900. The measure clarifies analysis of water table levels for purposes of individual sewage treatment design. S.F. 1900 was laid over for further discussion.

## Environment, Agriculture and Economic Development Budget Division

### Bonding review continues

Members of the Environment, Agriculture and Economic Development Budget Division continued reviewing



# Committee update

bonding proposals at the meeting Thurs., Mar. 4. No formal action was taken on any of the measures.

S.F. 2021, sponsored by Sen. Jim Vickerman (DFL-Tracy), appropriates \$1 million to the Board of Water and Soil Resources for grants to assist local governments in Area II of the Minnesota River Basin to acquire, design and construct floodwater retention systems. The measure specifies that the grants are not available until the commissioner determines that \$1 has been committed to the project from nonstate sources for every \$3 of state grant. S.F. 2259, also carried by Vickerman, appropriates \$2 million for grants to counties, rural water systems or municipalities served by the Lewis and Clark Rural Water System. The measure specifies that the appropriation is only available when matched by \$8 of federal money and at least \$1 of local money for each \$1 of state money. Further, the measure specifies those grants are to be awarded to projects approved by the Lewis and Clark Joint Powers Board.

S.F. 2027, authored by Sen. James Metzen (DFL-South St. Paul), appropriates \$5 million for a grant to the city of South St. Paul for the closure, capping and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul in order to restore approximately 80 acres of riverfront along the Mississippi River. S.F. 1996, sponsored by Sen. Linda Higgins (DFL-Mpls.), appropriates \$10 million for a grant to the city of Minneapolis to renovate the Shubert Theater and the Hennepin Center for the Arts. The measure also specifies that the appropriation is not available until at least \$24 million has been committed to the project from nonstate sources.

S.F. 373, carried by Sen. Steve Dille (R-Dassel), appropriates \$4 million for acquisition from willing sellers of private lands within state park and recreation area boundaries. S.F. 2382, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), appropriates \$3.3 million for acquisition of conservation easements and fee title on forest land from willing sellers. The

measure also provides that \$2 million of the appropriation is to match federal forest legacy funds to acquire conservation easements on forest land within and adjacent to state forest land.

S.F. 2384, carried by Sen. Scott Dibble (DFL-Mpls.), contains several bond proposals. Under the bill, \$500,000 is appropriated for the design and implementation of stream restoration projects that employ natural channel design principles, \$2.980 million is appropriated to acquire land for scientific and natural areas and for development, protection, or improvements, \$3 million is appropriated for acquisition of native prairie bank easements and \$4 million is appropriated for metro greenways and natural areas.

S.F. 1950, also sponsored by Dibble, appropriates \$2.5 million to design, construct and equip the new J.D. Rivers Urban Agricultural Awareness Center on the shores of Theodore Wirth Lake in Minneapolis. Dibble is also the sponsor of a bill, S.F. 1930, appropriating \$5 million to mitigate flooding at Lake of the Isles in Minneapolis. The measure specifies that



*Senators Cal Larson (R-Fergus Falls), left, and Jim Vickerman (DFL-Tracy) consult in the Senate Chamber during a recent floor session.*

Photo by David J. Oakes

funds are to be used for shoreline stabilization and restoration, dredging, wetland replacement and other infrastructure improvements necessary to deal with the 1997 flood damage and to prevent future flooding.

Division Chair Dallas Sams (DFL-Staples) carried three measures. S.F. 2224 appropriates \$25 million for grants to municipalities to cover one-half the cost of wastewater treatment projects made necessary by wasteload reductions under the total maximum daily load plans required by the federal Clean Water Act. S.F. 1724 appropriates \$20 million to acquire land for wildlife management areas. S.F. 2392 appropriates \$500,000 for grants to units of government to acquire and better natural and scenic areas. The bill also appropriates \$2 million for grants to public regional parks organizations located outside the Metropolitan Area. The measure specifies that each \$3 of state grants must be matched by \$2 of nonstate funds.

S.F. 2454, authored by Sen. Dennis Frederickson (R-New Ulm), appropriates \$15 million for a solid waste capital assistance grant to the city of Lamberton for development and construction of a waste-to-energy and material recycling facility. S.F. 2554, authored by Sen. Dave Kleis (R-St. Cloud) appropriates \$3.25 million for the St. Cloud Civic Center. The measure requires that at least an equal amount be committed from nonstate sources.

S.F. 2380, sponsored by Sen. Ellen Anderson (DFL-St. Paul), appropriates \$10.466 million for regional recreational open-space lands in accordance with the Metropolitan Council's policy plan. S.F. 2456, also carried by Anderson, appropriates \$20 million to the city of St. Paul for infrastructure required to support bioscience development in the St. Paul Bioscience Corridor.

The panel also heard a presentation from the Governor's Workforce Development Council about Minnesota's workforce service areas and recommendations to strengthen Minnesota's dislocated worker programs.

## Health and Family Security

### LTC expansion approved

A bill expanding eligibility for the public employees group long-term care insurance program gained the approval of

members of the Health and Family Security Committee when the panel met Thurs., Mar. 4. The measure was advanced to the State and Local Government Operations Committee.

S.F. 1789, authored by Committee Chair Becky Lourey (DFL-Kerrick), makes employees of political subdivisions, and the parents of the spouse of a current or former public employee, eligible to enroll in the long-term care (LTC) insurance program. Lourey said more citizens, including public employees, need to be made aware of the importance of planning for their future. Offering more people the ability to enroll in the group LTC insurance program, she said, draws more people into the program and encourages others to shop around in the private market. Sen. Linda Berglin (DFL-Mpls.) offered an amendment requiring the state to solicit new bids from qualified vendors whenever new groups are made eligible for coverage. The amendment also requires the Dept. of Employee Relations to obtain information—including names and home addresses—of eligible persons so that contractors can mail enrollment materials. The amendment was adopted. This is not an education program, but a sales program administered under the auspices of the state, said Sen. Brian LeClair. It is counterproductive to the goal of bringing a third party—private insurance—into the mix of paying for long-term care costs, he said. LeClair also questioned the data privacy implications of the information sharing with program contractors.

In other action, the committee approved three other measures. S.F. 1716, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides an exception to the hospital construction moratorium for a project to add 14 new beds for rehabilitation services in an existing Itasca County hospital. S.F. 2179, sponsored by Sen. Sheila Kiscaden (IP-Rochester), makes numerous changes to the Human Services Licensing Act, which was enacted last year. Both bills were advanced to the Senate floor. Sen. Dan Sparks (DFL-Austin) carried S.F. 2020. The bill authorizes an exception to the nursing home construction moratorium for a new 60-bed facility in Austin. Of the new beds, 45 are transferred from a closed 45-bed facility in Austin and 15 are transferred from a 182-bed facility in Albert Lea. The bill also requires that 20 of the new beds be used for a special care

unit for persons with Alzheimer's disease or related dementias. S.F. 2020 was referred to the Finance Committee.

## Higher Education Budget Division

### St. Paul Health Care Education and Training Center bill heard

The Higher Education Budget Division met Thurs., Mar. 4, to discuss a proposal to appropriate \$15 million for the Health Care Education and Training Center in St. Paul. S.F. 2411, sponsored by Division Chair Sandra Pappas (DFL-St. Paul), authorizes the bond proceeds to be used to acquire a site, demolish an existing building and to design, construct and furnish the center. Pappas said the bill is a collaborative effort on the part of St. Paul area hospitals and the city to provide training and education opportunities designed to ease the shortage of nurses and health care workers. The proposal is designed to increase the size of the health care talent pool, remove barriers to education and training, support advancement up the health care career ladder and facilitate collaborative research in the area of health services delivery, said supporters of the measure. No formal action was taken on the bill.

Members also reviewed S.F. 1923. The bill, which is in another division, deals with bonding for the University of Minnesota and the Mayo Medical Center. Under the measure, sponsored by Sen. Richard Cohen (DFL-St. Paul), \$20 million from the bond proceeds fund is appropriated to the University of Minnesota for the purchase of a medical research facility in the city of Rochester.

The division also heard from supporters of a University of Minnesota proposal for planning money for a new undergraduate building for the Carlson School of Management.

## Jobs, Energy and Community Development

### Bonding bills heard

Members of the Jobs, Energy and Community Development Committee met Wed., Mar. 3, to consider three bills relating to bonding. The first measure, S.F. 2313, authored by Sen. Dennis Frederickson (R-New Ulm), increases the



# Committee update

Minnesota Public Facilities Authority's bonding authority from \$1 million to \$1.25 million. The measure also modifies the authority to undertake interest rate swaps or to exchange variable rate bonds for fixed rate debt payments on outstanding bonds or to exchange fixed rate debt payments for variable rate bonds. The new language reflects current bond market practices. The measure was approved and advanced to the Finance Committee.

The committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), also approved a bill creating a broadband infrastructure grant program. S.F. 2298, authored by Sen. Dallas Sams (DFL-Staples), appropriates \$2 million for grants to cities to provide up to 80 percent of the capital costs of public infrastructure necessary for an eligible broadband development project. The bill specifies that the maximum grant amount may be no more than a total of \$200,000 in grants made in two consecutive years for one or more projects. Sams said 20 percent of the population does not have access to broadband services. Gary Fields, Blandin Foundation, spoke in support of the measure and said the bill is needed in Greater Minnesota. The measure was approved and advanced to the Committee on Finance.

S.F. 2269, sponsored by Sen. Steve Kelley (DFL-Hopkins), appropriates \$25 million for economic development and economic redevelopment. Kelley said the bill is the governor's proposal, with \$10 million split between economic development and redevelopment and \$15 million for eligible projects within the biotechnology and health science zone. Members adopted an amendment to provide that the \$10 million be earmarked for redevelopment. Kelley said the biotechnology and health science zone encompasses Minneapolis, St. Paul and Rochester. Louis Jambois, director of community development, Dept. of Employment and Economic Development, spoke in support of the governor's proposal.

Nancy Larson, Association of Small Cities, said all areas of the state have development needs. She said it would be helpful to earmark portions of the account for Greater Minnesota. Austin Mayor Bonnie Rietz and Tim Flaherty, Coalition of Greater Minnesota Cities, echoed Larson's concerns.

Sen. John Hottinger (DFL-St. Peter) offered an amendment increasing the amount for redevelopment from \$10 million to \$20 million and requiring the funds to be used equally between the Metropolitan Area and Greater Minnesota. The amendment was adopted. The measure was approved and re-referred to the Finance Committee.

## Judiciary

### Dangerous animal bill advanced

A bill limiting the ownership of large cats, bears and nonhuman primates was approved by members of the Judiciary Committee at a meeting Thurs., Mar. 4. S.F. 1530 was before the panel primarily because of provisions dealing with animal seizure, said Committee Chair Don Betzold, who also sponsored the bill. Betzold said the seizure provisions are patterned after similar provisions relating to dangerous dogs. Minnesota is one of just a few states that has no regulation of dangerous animals, he said.

Betzold also said that in a previous committee, a number of amendments had been adopted that needed clarification. As a result, he said, Sen. Steve Dille (R-Dassel) had been working with interested parties to draft an amendment.

The amendment relates to the issue of replacing a dangerous animal after the bill becomes law. The amendment provides that a person may replace a prohibited animal in their possession after the effective date and that a person may replace a member of the Felidae family—tiger, lion or other large cat—with an average adult weight over 50 pounds only once. In addition, the amendment specifies that individuals are encouraged not to obtain a replacement prohibited animal. Other portions of the amendment provide that if a prohibited animal is sedated, a microchip must be implanted and information about the microchip be reported to the local law enforcement authority. The amendment also clarifies provisions relating to transporting dangerous animals and inspections by local animal control authorities.

Debate on the amendment centered on the provisions relating to replacing a dangerous animal. Committee members said it was unclear if the animal could be replaced every time an animal died or just once. Members adopted an amendment to

the amendment specifying that a dangerous animal that dies may be replaced once after the effective date of the law. Language relating to members of the Felidae family and encouraging individuals not to replace animals was deleted. The amendment was adopted and the bill advanced to the Senate floor.

In other action, the panel approved several additional bills. S.F. 2165, sponsored by Betzold, specifies the authority of courts to give a guardian the power to consent to the administration of neuroleptic medications. The bill was advanced to the full Senate. S.F. 1848, also carried by Betzold, establishes a Predatory Offender Screening Committee to make recommendations to the commissioner of corrections regarding referral of sex offenders to civil commitment proceedings. The measure was approved and re-referred to the Crime Prevention and Public Safety Committee.

S.F. 1384, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), includes status with regard to adoption in the definition of familial status and prohibits discrimination based on status with regard to adoption by employers. Pogemiller said he was not aware that there is a large problem, but that the bill closes a gap in protection for prospective adoptive parents. The measure was approved and advanced to the Senate floor.

Members also heard a bill making a change in the Minnesota Common Interest Ownership Act by requiring county review and approval of subdivisions. S.F. 1804, sponsored by Sen. Carrie Ruud (R-Breezy Point), was laid on the table at the author's request in order to continue discussions with interested parties and arrive at a compromise.

## K-12 Education Budget Division

### NCLB report heard

Members of the K-12 Education Budget Division, meeting Thurs., Mar. 4, heard a legislative auditor's report on the effects of the No Child Left Behind Act on Minnesota. The panel is chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls).

Signed by the president in 2002, the federal law imposes rigorous requirements on state school systems. The report,

prepared by the Office of the Legislative Auditor, examined the likely costs of complying with the No Child Left Behind Act (NCLB), the likelihood that school districts will meet adequate yearly progress requirements, the difference between the costs of complying with the law and increased revenue from the federal government, the implications of opting out of the law and foregoing certain federal education funds and the level of support for the underlying goals and approaches of NCLB among Minnesota officials.

The auditor's report found that while most officials embrace the underlying goals of the law, they find its implementation to be "costly, unrealistic, and punitive." Over 80 percent of Minnesota elementary schools would not meet adequate yearly progress (AYP) requirements by 2014, according to the report. Failing to meet AYP results in the imposition of serious sanctions, including school restructuring. The report found that federal funds will not cover the projected costs of compliance with the law. However, though schools would lose only about four percent of their funding if

the state were to opt out of the law, the Legislative Auditor's Office found little support among superintendents for opting out.

The full report is available online: <http://www.auditor.leg.state.mn.us/ped/2004/pe0404.htm>.

## Rules and Administration

### Personnel rosters adopted

The Rules and Administration Committee, chaired by Sen. Dean Johnson (DFL-Willmar), met briefly Thurs., Mar. 4, to take care of housekeeping matters relating to the operation of the Senate. Members approved temporary and permanent employee rosters and several clarifications of member and staff policies.

In addition, the committee also adopted the report of the Subcommittee on Litigation Costs. The subcommittee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), recommended payment of fees associated with the defense against a recall petition. The petition, aimed at Sen. Steve Murphy

(DFL-Red Wing), was dismissed by the courts.

Members also heard brief updates from various subcommittee chairs.

## State and Local Government Operations

### Lottery director change approved

One of the measures gaining approval at the Wed., Mar. 3, meeting of the State and Local Government Operations Committee was a bill providing that the lottery director is under the direct control of the governor.

S.F. 2181, sponsored by Sen. Ann Rest (DFL-New Hope), specifies that the director be appointed by the governor, be confirmed by the Senate and serve at the pleasure of the governor. The measure also provides for the review and approval of the lottery budget, creates a Lottery Organization Task Force to study and make recommendations regarding the future organization of the lottery and transfers unclaimed prize money to the state treasury to be credited to the environment and natural resources trust



From left to right, Senators Jim Metzen (DFL-South St. Paul), Dick Day (R-Owatonna) and Warren Limmer (R-Maple Grove) exchange ideas during a recent floor session.

Photo by David J. Oakes



# Committee update

fund. Members adopted an amendment deleting provisions requiring the review and approval of the budget and requiring the transfer of unclaimed prize money. The bill was approved and advanced to the Senate floor.

In other action, the committee, chaired by Sen. Linda Higgins (DFL-Mpls.), also approved the appointment of Raymond R. Krause as chief administrative law judge in the Office of Administrative Hearings. Members also approved the appointments of Chris Osgood, William Miller, Yvonne Condell, Pam Perri Weaver, Matt Anderson, Ed Oliver, Diana Lewis and Sarah Caruso to the Minnesota Board of the Arts.

Members also approved a bill simplifying filing procedures in the Office of the Secretary of State. S.F. 1836, authored by Sen. David Knutson (R-Burnsville), also eliminates some filing requirements and requires electronic corporate registration after Dec. 31, 2004. The bill was advanced to the Finance Committee.

S.F. 1653, sponsored by Sen. Yvonne Prettnner Solon (DFL-Duluth), clarifies plat and survey approval requirements. The measure was approved and recommended for placement on the Consent Calendar.

The panel heard, but laid on the table, S.F. 1519, sponsored by Sen. Gary Kubly (DFL-Granite Falls). The bill requires the Dept. of Corrections to purchase blankets made in the state.

## Transportation Policy and Budget Division

### Weight exemptions okayed

Two bills providing exemptions for weight restrictions were among those considered at the Thurs., Mar. 4, meeting of the Transportation Policy and Budget Division. S.F. 1324, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), provides that a vehicle transporting unfinished forest products may exceed its license weight by five percent during winter increase periods. The measure also allows vehicles hauling raw or unfinished forest products to travel to the nearest designated 10-ton highway without regard to load restrictions except for seasonal restrictions, bridge and road posting and the 90,000 weight limitation. The measure also provides for a \$300 permit

fee to allow operation without regard to load restrictions. Saxhaug said the bill is to provide a more competitive environment for Minnesota forest products. The measure was advanced to the full Finance Committee.

The division, chaired by Sen. Steve Murphy (DFL-Red Wing), also approved a bill exempting garbage trucks and recycling vehicles of up to 7-ton-per-axle from the 5-ton and locally imposed weight restrictions. The measure also removes the two-axle limitation for vehicles designed and used for recycling. The bill was also advanced to the full Finance Committee.

Members also approved three additional bills. S.F. 1729, sponsored by Sen. Bob Kierlin (R-Winona), prohibits leaving a child under the age of nine unattended in a passenger vehicle. S.F. 1954, sponsored by Sen. Ann Rest (DFL-New Hope), repeals a requirement for Regional Development Commission or Metropolitan Council approval of projects funded from the state transportation fund. S.F. 1953, also carried by Rest, repeals a requirement that designation of natural preservation routes on county state-aid highways be reviewed by an advisory committee. All three measures were advanced to the Finance Committee.

Finally, members discussed, but took no action on, a bill prohibiting the closure of municipal airports without the approval of the Legislature. S.F. 2178, authored by Sen. Michael Jungbauer (R-East Bethel), specifies that a municipal airport must not be made, by any authority, to close down its regular and customary operations, except for a temporary emergency, or a federally declared national security alert, unless the closure of the specific airport is approved in a law. The measure was laid on the table to allow interested parties to reach agreement.

### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0308.htm>

### 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.

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.

### MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

### Frequently called numbers

<b>Secretary of the Senate</b>	
231 Capitol	(651) 296-2344
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# Senate Briefly

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Page 2 Highlights

Page 5 Committee update

Several hundred people gathered on the Capitol steps, Tues., Mar. 9, in opposition to legislation authorizing a state-run casino.

Photo by David J. Oakes



March 12, 2004



# Senate Highlights

## Wage hike given green light

A 30 percent increase in the minimum wage gained the approval of a Senate committee after almost three hours of discussion, Wed., Mar. 10. Members of the Jobs, Energy and Community Development Committee approved S.F. 3 and sent the measure to the full Senate.

The bill, authored by Committee Chair Ellen Anderson (DFL-St. Paul), increases the minimum hourly wage for large employers from \$5.15 to \$5.90 on July 1, 2004, and to \$6.65 one year later. The measure increases the minimum hourly wage for small employers—those with less than \$500,000 in gross annual sales—from \$4.90 to \$5.65 on July 1, 2004, and to \$6.40 one year later. The bill also provides for annual increases, beginning on July 1, 2006, in the minimum wage levels by the percentage increase in the Minneapolis-St. Paul consumer price index for the previous calendar year.

Ann Markusen, a professor of public policy at the University of Minnesota, said the minimum wage has drastically declined in real terms since the 1960s. The minimum wage of the late 1960s was more than \$8 an hour in current dollars, she said. Minnesota has long led the nation on the minimum wage, she said, but the entire increase made in the mid-1990s has since been wiped out by inflation. S.F. 3 makes up about half the loss, Markusen said. She said workers currently making up to \$8.50 an hour will see an increase in wages. Employers often

pride themselves on paying more than the minimum, she said, and like to maintain a spread between actual wages and the legal mandate. No past increases in the minimum wage have caused job losses, Markusen said, primarily because most employers paying the minimum serve local markets, so all competitors are also paying the increased wage. Wage increases do not eat into business profits, she said, but are traditionally passed on to consumers as higher prices. Markusen said higher wages help businesses, because low-wage earners tend to spend more of their income quickly.

Representatives of the Children's Defense Fund, Women Venture and Minnesota Community Action Association also spoke in support of the bill. They emphasized the positive social and economic impacts on low-income families and possible savings in welfare programs, child care subsidies and transportation programs. Brian Rusche of the Joint Religious Legislative Coalition said claims of job losses made by employers are overblown. The business community should look at wage distribution if it wants to help workers, he said. "Those who see the market as a deity have lost a vision of commonwealth and the common good," Rusche said. Todd Perkins, a business owner from Mankato, said his company chose to increase the wages of its lowest-paid employees. The company had to focus on the goal, he said, and convince higher-paid employees to take less compensation. Perkins said the company has experienced positive results, including fewer operational difficulties and lower employee turnover. Kris Jacobs, JOBS NOW Coalition, said the minimum wage is not just a Metro Area issue. While the cost of living is lower in Greater Minnesota, she said, wages are even lower.

Minnesota should keep its minimum wage in sync with the federal mandate of \$5.15, said Mike Hickey of the National Federation of Independent Business. Raising the minimum wage in Minnesota will put businesses in border communities at a competitive disadvantage, he said, since all surrounding states are at \$5.15. Federal data, Hickey said, show that minimum wage earners are not heads of households. Only 12 percent of Minnesota workers earning the minimum wage are primary breadwinners, he said, while

60 percent are part-time workers. The majority of workers earning the minimum wage are teens and students living at home, Hickey said. If the minimum wage is increased, he said, "job loss is going to occur—the question is how much and where." He noted that Washington and Oregon have two of the nation's highest minimum wages and have two of the nation's three highest unemployment rates.

Tom Hesse, Minnesota Chamber of Commerce, said the market is working: employers who want to pay their employees more, like Perkins, can and do. Most economists agree, he said, that raising the minimum wage does have an effect on employment. Buzz Anderson, Minnesota Retailers Association, said wages are one of the highest component costs of running a business. An informal sample of the association's members—across the state—showed that none are paying the minimum wage, he said, but are paying their lowest paid workers between \$6 and \$8 an hour. Retailers are competing in a global marketplace, he said, and the effects of a wage increase are not felt nationally or globally.

Sen. Carrie Ruud (R-Breezy Point) offered an amendment providing that the wages of tipped employees are locked at their current level. The amendment provides that if a tipped employee does not earn enough in tips to equal the higher minimum wage, the employer must make up the difference. Tom Day, Hospitality Minnesota, said six other states also lack a tip credit. Most states with tip credits set the minimum wage for tipped employees at \$2.13 an hour, he said, but employers in Minnesota do not seek to lower anyone's wage. Tipped employees make the most in the hospitality industry, he said. Day said restaurant servers earn an average of \$12 an hour in Greater Minnesota and \$18 an hour in the Metro Area, when tips are included. Tips are wages, he said, not a private transaction between consumers and employees. Employers must pay Social Security and unemployment taxes on tips, Day said. Wade Luneberg, Hotel Employees and Restaurant Employees Union, said there are 20,000 tipped employees in Minnesota, or about one third of all minimum wage workers. Tipped employees are already paid less than other employees in hospitality operations, he

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

said, and do not deserve to be relegated to substandard status. The amendment was defeated on a 6-8 roll call vote. Members then advanced the bill on an 8-6 roll call vote.

### Stem cell research policy okayed

A proposal explicitly permitting research conducted with human embryonic stem cells was approved by members of the Health and Family Security Committee, Thurs., Mar. 11. The measure was advanced to the full Senate on a 6-3 roll call vote.

S.F. 2077, authored by Sen. Steve Kelley (DFL-Hopkins), permits the derivations and use of human embryonic stem cells, human embryonic germ cells and human adult stem cells from any source for research and experimentation. The bill requires health care providers treating patients for infertility to provide patients with timely, relevant and appropriate information to allow the patient to make an informed and voluntary decision regarding the disposition of any embryos remaining after fertility treatment. It is illegal, under the bill, to purchase or sell embryonic or cadaveric fetal tissue for research. The bill permits the donation of embryonic or cadaveric fetal tissue for research.

Kelley said the measure is a balanced approach to a controversial issue. Minnesota has made a lot of progress with research on adult stem cells, he said, but more opportunities are available if we open up research with embryonic stem cells. The University of Minnesota has embarked on research with embryonic cells, he said, using private money. Kelley said his interpretation of current law indicates the research is legal, but others disagree. The state should clarify the law's position and clearly support all stem cell research, he said. Kelley said there are two primary reasons to support embryonic stem cell research as a matter of policy: economic and human. Future jobs depend on our success in promoting bioscience research and development, he said, and the suffering of thousands can be dramatically reduced or eliminated by new treatments. Dr. Catherine Verfaillie, University of Minnesota, said organ transplants may eventually be replaced by stem cell transplants. Because of Minnesota's sterling reputation in transplant research, she said, Minnesota is



**St. John's University Football Coach John Gagliardi addresses members of the Senate following the Thurs., Mar. 11, floor session. Gagliardi was being recognized for becoming the winningest football coach in NCAA history. He broke the record during an undefeated 2003 season.**

Photo by David J. Oakes

poised to be a leader in the area. She said some success has been had in using adult stem cells, but the adult cells are not useful for every medical condition. Verfaillie admitted that researchers have encountered difficulties in embryonic stem cell research, including the development of non-cancerous tumors. "As scientists," she said, "we are committed to doing the right things for our patients." By researching the behavior of embryonic stem cells, we can learn how to make adult stem cells behave similarly, said Dr. Doris Taylor. Taylor, who specializes in cardiovascular medicine, said the heart has few stem cells. Cardiac cells are the hardest cells to create from adult stem cells, she said, but embryonic stem cells easily become heart cells.

Only a few decades ago, organ transplants were treated as something out of Frankenstein's laboratory, said Judy Florine. Florine, a kidney transplant recipient and multiple sclerosis patient, said organ transplants were considered ghoulish by many 50 years ago; now, Minnesota is a global leader in organ transplants. "I see stem cell research as where we were with organ transplantation 50 years ago," she said. Florine said every step in the research envisioned in the bill is voluntary: from embryo donation to using the treatments developed. Medical

innovation has been the sole source of new manufacturing jobs in recent years, said Phil Griffin, representing Medical Alley. Minnesota is now second only to California in medical device jobs, he said, and growth in the medical device industry is intimately tied to research at the University of Minnesota.

Sen. Linda Berglin (DFL-Mpls.) said the state faces huge projected costs for long-term care. The only hope we have to reduce those costs and help people may be in the results produced by stem cell research, she said, especially in treatments for Parkinson's disease. However, the scope of the bill is breathtaking, said Sen. Sean Nienow (R-Cambridge). We do not serve the public interest by allowing cloning to get stem cells, he said, or by allowing research without an explicit limit. Nienow said research is rapidly advancing using adult stem cells. One researcher has said that the use of embryonic stem cells will eventually appear old-fashioned compared to the possibility of using a patient's own adult stem cells, Nienow said.

In other action, committee members approved S.F. 2438. Carried by Sen. Linda Higgins (DFL-Mpls.), the bill provides a 2.5 percent rate increase for nursing facilities and various community-based providers. The additional money



# Senate Highlights

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must be used to increase compensation for non-management employees or add non-administrative staff, under the bill. Higgins said the proposal essentially provides a cost of living adjustment for employees and is an attempt to resolve the staff crisis in long-term care. Sen. Brian LeClair (R-Woodbury) said he agreed that nursing homes are not getting enough money. He said members and the public should be aware that the bill raises rates for both government-paid patients and private-pay patients. The bill was approved and re-referred to the Finance Committee on a 7-0 roll call vote.

## Toll roads discussed

The topic of privately built toll roads took center stage at the Tues., Mar. 9, meeting of the Transportation Policy and Budget Division. Lt. Governor and Commissioner of Transportation Carol Molnau outlined MnDOT's Freeing Alternatives for Speedy Transportation (FAST Lanes) plan for adding lanes to congested freeways and highways.

Molnau said, "The FAST Lanes plan provides a good tool to relieve traffic congestion. The lanes offer drivers a choice between toll lanes and regular lanes." She said FAST Lanes are lanes that are added to existing or planned roadways, financed, built and managed by private companies and paid for by motorists who pay tolls to use them. She said the toll lanes are an expansion of a user fee with the people using the lanes paying for them. Molnau said the fees to use the lanes would rise or fall as congestion increases or decreases on adjacent lanes and that the fees are collected using electronic technology, rather than toll booths.

Molnau said FAST Lanes provide users with new options, provide congestion relief, increase safety and reduce travel times. Division members questioned the timing of a municipality's ability to veto projects and whether the contracts would have non-compete clauses. Molnau said the department is working on the time line for local approval and that the department will not have a non-compete clause in contracts.

Sen. Dean Johnson (DFL-Willmar) said, "The proposal signals a cultural change in the way we think about transportation in this state. It is a change between paying as we go and improving transportation throughout the state. A

gasoline tax increase of 5 cents would cost the average driver about \$40 per year, while a toll road fee of \$1 would cost drivers who use the road much more. The plan is cultural separation between the haves and have-nots." Molnau responded that most drivers would not pay more because they have a choice. "The gas tax is no longer the workhorse it was," Molnau said.

Members, chaired by Sen. Steve Murphy (DFL-Red Wing), then turned their attention to two bills relating to toll roads. S.F. 2397, authored by Sen. Scott Dibble (DFL-Mpls.), requires the commissioner of transportation to prepare a toll facilities plan, prohibits non-compete provisions in toll facility development agreements from restricting or prohibiting development construction or operation of public transit. S.F. 2399, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), repeals authorization for construction of future toll roads and bridges. Marko said she had an amendment substantially altering the bill, but because of time constraints would not offer it. After hearing considerable testimony on the concepts behind both measures, the bills were laid over.

The division approved one measure and advanced the bill to the Senate floor. S.F. 1639, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), provides a mechanism for vehicle service and repair shops to remove and dispose of abandoned vehicles.

## Several bills approved

When members assembled Mon., Mar. 8, they granted preliminary passage to three bills. The measures were considered under General Orders and will be granted final passage at a later date.

H.F. 1064, carried by Sen. Betsy Wergin (R-Princeton), is the Dept. of Employee Relations housekeeping bill. Sen. Jane Ranum (DFL-Mpls.) offered an amendment deleting a provision relating to the supervisors of unclassified positions. The bill allows unclassified employees to report to assistant agency heads, as well as agency heads and deputy agency heads. Ranum said many Legislators are concerned about the increasing numbers and salaries of unclassified employees. Wergin said the provision provides additional flexibility to agencies, but does not increase the number of unclassified

employees in state service. The amendment was adopted.

Sen. Gary Kubly (DFL-Granite Falls) sponsored S.F. 1748, which modifies provisions relating to the Emergency Medical Services Regulatory Board. S.F. 1121, carried by Sen. Leo Foley (DFL-Coon Rapids), prohibits and provides penalties for false claims against the state. Foley said the measure provides the attorney general with additional tools to pursue fraudulent claims. Several members, including Sen. Julianne Ortman (R-Chanhassen), urged the defeat of the bill. The attorney general already has all the necessary authority and ability to pursue action against false claimants, she said. The Attorney General's Office has not justified the rationale for this bill, Ortman said.

## Brief floor session held

Members met Thurs., Mar. 11, for a brief floor session to process committee reports, move bills from one committee to another and process bill introductions. Immediately following the session, members remained in the Chamber to honor St. John's University Football Coach John Gagliardi on becoming the winningest coach in college football history. Majority Leader Dean Johnson (DFL-Willmar), Sen. Michelle Fischbach (R-Paynesville) and Sen. Mark Ourada (R-Buffalo) spoke about Gagliardi's unique coaching program that has led to more than 400 victories. Fischbach presented Gagliardi with Senate Resolution 120 outlining his achievements and wishing him the best for the future.

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## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0315.htm>

# Committee update

## Agriculture, Veterans and Gaming

### Food prize day okayed

A bill honoring Norman E. Borlaug by establishing a Dr. Norman E. Borlaug World Food Prize Day was endorsed by members of the Agriculture, Veterans and Gaming Committee at a meeting Mon., Mar. 8. S.F. 2537, authored by Sen. Ellen Anderson (DFL-St. Paul), designates October 16 as Dr. Norman E. Borlaug World Food Prize Day, in honor of the heroic contributions to humanity of the Nobel Peace Prize laureate.

Anderson said Borlaug's work in agriculture has resulted in saving millions of human lives by averting famine and alleviating hunger and malnutrition. Borlaug, a University of Minnesota graduate, received the 1970 Nobel Peace Prize for work in developing grains and

other crops to provide food for developing nations. Regents' Professor of Agronomy and Plant Genetics Ronald L. Phillips spoke in support of the bill. He said, "Through Dr. Borlaug's tireless efforts now spanning 60 years, he has probably saved the lives of more people than anyone else in history. Today, he speaks out on behalf of rationality in food production and encourages the use of new technology in meeting the challenges created by increased population."

Committee members, chaired by Sen. Jim Vickerman (DFL-Tracy), also spoke in support of the bill. Sen. Steve Dille (R-Dassel) said, "Dr. Borlaug is one of the true heroes of agriculture." The bill was approved and recommended for placement on the Consent Calendar.

The committee also approved a bill, S.F. 2218, providing a property tax exemption for the homestead of a permanently and totally disabled veteran

or the veteran's spouse. The measure, sponsored by Sen. Steve Murphy (DFL-Red Wing) was advanced to the Tax Committee.

S.F. 2428, carried by Vickerman, provides for the validity of electronic documents and signatures used in a variety of agricultural transactions. Under the bill, electronic documents include, but are not limited to, warehouse receipts, grain purchase contracts and voluntary extension of credit contracts. The measure was approved and re-referred to the Judiciary Committee.

### Ag lien bill gains

The Agriculture, Veterans and Gaming Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Wed., Mar. 10, and approved a bill designed to lead to more complete implementation of the statewide central computerized filing



Senators Ellen Anderson (DFL-St. Paul) and Dean Johnson (DFL-Willmar) exchange ideas in the Senate Chamber during a recent floor session.

Photo by David J. Oakes



# Committee update



**Sen. Richard Cohen (DFL-St. Paul) greets members of the Minnesota Orchestra, Thurs., Mar. 11, prior to their performance in the Capitol in celebration of a recent three-week tour of Europe.**  
Photo by David J. Oakes

system for recording liens on agricultural products. S.F. 2442, authored by Sen. Ann Rest (DFL-New Hope), makes numerous changes in order to allow the transition to the electronic filing system. The bill also specifies that the current fee of \$15 for filing a standard form or format will continue for filings made through the Secretary of State's web interface, but after June 30, 2005, the fee will be increased to \$20 for each filing submitted in any other manner. The bill was re-referred to the Judiciary Committee.

The panel also approved a bill appropriating funds to assist in the operation and staffing of the Minnesota National Guard Youth Camp at Camp Ripley. S.F. 2366, sponsored by Sen. James Metzen (DFL-St. Paul), but presented by Sen. Paul Koering (R-Camp Ripley), provides for an appropriation of \$100,000 contingent on being matched by money from other sources. The bill was re-referred to the Finance Committee.

Two bills sponsored by Sen. Gary Kubly (DFL-Granite Falls) were discussed, but laid over for further consideration. S.F. 2572 establishes a program to develop cooperatively owned livestock processing

plants and establishes a culturally specific livestock processing development program. S.F. 2356 requires registration of retained patented seed and sets a fee of \$7 per bushel for the retention of the seed.

## Commerce

### Cost containment bill advanced

The lion's share of the Mon., Mar. 8, meeting of the Commerce Committee was devoted to debate on a bill aimed at curbing health care premium rate increases and modifying health care cost containment provisions.

Chief Author Sen. Linda Berglin (DFL-Mpls.) said S.F. 1760 is an attempt to slow the skyrocketing costs of health care. The bill also provides for an electronic medical record system, provides for disease management programs, makes the MinnesotaCare program available for small employers and makes changes to the Medical Assistance, General Assistance Medical Care and MinnesotaCare programs.

Berglin said 30 percent of the population uses 70 percent of the health care in Minnesota, with the top 1 percent

using 30 percent of all health care in the state. In order to curb costs, she said, the bill improves best practices standards, improves disease managements and provides for electronic record keeping. Berglin offered two amendments to the measure. The first adds one percent to the premium limits for technology and subtracts one percent from the allowance for electronic medical records, specifies that premium limits apply to self-insureds and establishes expenditure limits equal to the premium limits.

The second amendment specifies that in order to operate within the premium growth limitation, a health plan company may directly reduce payments to providers in an amount equal to the difference between the Consumer Price Index formula and the amount of increase that would otherwise have been necessary to meet the pricing needs of the product in the absence of the growth limitation. The amendment also prohibits a provider from terminating an existing contract with a health plan company based solely on the payment reduction.

Testimony on the measure centered on the two amendments. Sue Stout, Minnesota Nurses Association, said the health care system is imploding and that the state needs to take a comprehensive approach now. Brad Lehto, Minnesota AFL-CIO, said every labor dispute in the last four years has involved health care benefits and the cap on premium increases will provide at least short term relief for consumers.

Julie Brunner, Minnesota Council of Health Plans, and representatives from several individual plans spoke in opposition to the premium caps. Brunner said, "Premium growth limits do not account for the complexity of cost increases such as an aging population, new drugs and new technology."

The committee adopted the two amendments and advanced the bill to the Judiciary Committee on a 10-5 roll call vote.

In other action, the committee, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard three additional bills. S.F. 1559, authored by Sen. Linda Higgins (DFL-Mpls.), provides a process for establishing ownership of property loaned to museums and archives repositories.

David Kelliher, Minnesota Historical Society, said many museums and county

historical societies have items that were loaned to them many years ago, but the institutions have lost contact with the owners or the owners' heirs. He said museums are placed in the position of having to care for the items, but not be able to display or dispose of the items. The bill sets forth a procedure for regulating loans to museums and archive repositories as well as a procedure for regulating abandoned property in the museums' or archive repositories' possession.

The committee adopted an amendment providing that, effective Aug. 1, 2004, property that is found in or on property controlled by a museum, is from an unknown source and might reasonably be assumed to have been intended as a gift to the museum is conclusively presumed to be a gift if ownership is not claimed within 90 days of its discovery and the person responsible for gifting the property has clear title to the property. The bill was approved and re-referred to the Judiciary Committee.

Members also approved S.F. 2257, sponsored by Sen. Geoff Michel (R-Edina). The bill modifies premium reserve requirements for title insurance companies. S.F. 2418, carried by Sen. Dan Sparks (DFL-Austin), extends the liability exemptions given other safe deposit companies to credit unions that are authorized safe deposit companies. Both measures were advanced to the full Senate.

### **Employees insurance plan gains**

A proposal requiring school districts to provide health insurance for their employees through a statewide pool was the focus of discussion at the Wed., Mar. 10, meeting of the Commerce Committee. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), forwarded the bill to the State and Local Government Operations Committee.

S.F. 2491, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), creates a 14-member board to establish and administer the health insurance pool. Board membership, under the bill, is evenly divided between members appointed by employee unions and the Minnesota School Boards Association. The measure gives the board discretion to design the pool to provide the optimal combination of coverage, cost, choice and stability. The pool may include a choice

of health plans and premium rates, under the bill, but must include consumer education, wellness programs and measures to encourage wise use of health care. S.F. 2491 requires the pool to begin coverage by July 1, 2005, with details of the coverage available four months earlier.

The proposal is the result of a study, performed at the Legislature's request, examining how to reduce the high cost of health care for school employees, Stumpf said. He said the study predicted that claim costs for school districts will exceed \$1 billion in the 2006-2007 school year. Adopting a mandatory pool, he said, could reduce claim costs by \$700 million over six years. However, the proposal does not specify a health plan or mandate cost savings, said Grace Schwab of the Minnesota School Boards Association. The bill strips districts of local control, preventing them from innovating to save costs, she said. Schwab noted that California is shifting from a statewide insurance model to regional pools. Local control works, she said. "Change for change's sake should not be good enough," she said. One segment of the employer marketplace is getting bandage treatment, said Carolyn Jones of the Minnesota Chamber of Commerce, while the core problem is not being addressed. Employers that are fully insured will have to bear the increased costs of Minnesota Comprehensive Health Association assessments, she said, while the school district pool can choose to be self-insured.

Sen. Sheila Kiscaden (IP-Rochester) offered an amendment adding three members, appointed by the governor, to the pool board. The additional members break the deadlock situation anticipated in the bill, she said. The amendment was adopted. Kiscaden offered a second amendment requiring the board to report to the Legislature, by Jan. 15, 2005, on plan design and costs. The amendment also provides that insurance under the pool does not take effect until the Legislature approves the pool's plan design. What has been brought to us is a concept, Kiscaden said, that we need to see fleshed out before we commit to it. Sen. Ellen Anderson (DFL-St. Paul) moved to divide the amendment, separating the report provision from the legislative approval provision. The portion of the amendment requiring a report was approved, while approval of the pool's

plan was defeated. Committee members then approved a motion to re-refer the bill without recommendation.

In other action, the panel considered three other measures. S.F. 2391, authored by Sen. Cal Larson (R-Fergus Falls), expands the authority of the commissioner of commerce to disclose investigative information to the National Association of Securities Dealers. The bill was re-referred to the Judiciary Committee. Sen. Ann Rest (DFL-New Hope) carried S.F. 1922, which prohibits an insurer from refusing to renew or declining to offer homeowner's insurance coverage solely because the property houses day care services. The measure was sent to the Senate floor.

Scheid carried S.F. 914, which permits wine to be sold in grocery stores. The bill was heard by the committee last year, but failed to gain committee approval. Sen. William Belanger (R-Bloomington), an admitted opponent of the proposal, moved to reconsider the bill as a favor to Scheid. The bill was then referred to the Commerce Subcommittee on Liquor.

## **Crime Prevention and Public Safety**

### **Sex offender proposals heard**

Members of the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), met Mon., Mar. 8, to consider two bills relating to sex offenders. Both measures were carried by Sen. Dave Kleis (R-St. Cloud) and laid over for possible inclusion in an omnibus sex offender bill.

S.F. 2486 increases the penalties for violent sex offenders and includes a mandatory sentence of life without the possibility of release for first-degree sexual offenses. "We cannot keep making little fixes," Kleis said, but need to put the worst offenders in prison permanently. Family and friends of Dru Sjodin, who disappeared near Grand Forks, N.D., last year, testified in support of the measure. Alfonso Rodriguez, a released sex offender, has been charged in connection with her disappearance.

Sen. Wesley Skoglund (DFL-Mpls.) said the proposal raises issues of proportionality of sentences and crimes. The minimum sentence for first-degree murder, he said, is only 30 years. Sen-



# Committee update

tences for other serious crimes should also be increased, Kleis said, but a case can be made that first-degree sex offenses do require the strictest available sentence. Sex offenders scar people emotionally for the remainder of their lives, he said. The bill intervenes early and decisively into the cycle of repeat sex offenders, Sen. Mike McGinn (R-Eagan) said. Predators exhibit ever-escalating levels of violence, McGinn said, and the proposal stops the escalation and provides an opportunity for incarceration or supervision of serious offenders.

S.F. 2548 is the governor's bill. The measure makes numerous changes to sex offender registration and civil commitment, including expanding the sex offender registration requirement to

include offenders who aid, abet or conspire to commit an offense currently requiring registration. The bill also addresses the problem of homeless offenders and requires offenders without a primary address to register with the law enforcement authority of the area in which the person is staying within 24 hours and report weekly to local law enforcement.

Committee members also heard a review of the governor's bonding recommendations for the Department of Corrections. Deputy Commissioner Dennis Benson said Minnesota has a very efficient corrections system. The state is tied for 49th in the nation in state spending on corrections, he said, and when local spending is added, the state is

in 37th place. The governor's four recommendations for corrections, Benson said, are targeted at increasing public safety and maintaining the high level of efficiency.

The recommendations total \$105.4 million. Included in the recommendations is \$74.9 million for an expansion of the Faribault prison. Benson said the project increases capacity, security and operational efficiency. Other recommended projects include a 150-bed segregation unit at the Stillwater prison for \$19.2 million and expansion of the Challenge Incarceration Program at Willow River by 24 beds for \$350,000. The final recommendation is \$11 million for systemwide asset preservation.



**Chris Lang, right, the boyfriend of abduction victim Dru Sjodin, appeals to members of the Crime Prevention and Public Safety Committee, Mon., Mar. 8, to toughen laws related to sex offenders. Sen. Dave Kleis (R-St. Cloud), left, sponsored a bill imposing a life sentence on sex offenders.**

Photo by David J. Oakes

## Public defender bill gains

A bill restoring funding for the Board of Public Defense, S.F. 2426, gained the approval of the Crime Prevention and Public Safety Committee at a hearing Wed., Mar. 10.

Chief Author Linda Berglin (DFL-Mpls.) said the bill repeals a requirement, enacted last year, that defendants must make co-payments for public defender services. Berglin said the provision was found to be unconstitutional and the appropriation in the bill is necessary to restore funding that will be lost because of the repeal. The measure also authorizes public defenders to obtain records of criminal convictions of witnesses in a criminal case, but clarifies that public defenders do not have access to data systems maintained by a prosecuting attorney. The measure was re-referred to the Finance Committee.

Members also heard a measure requiring fire-resistant standards for cigarettes. S.F. 1791, sponsored by Sen. John Marty (DFL-Roseville), requires the commissioner of public safety, with the assistance of the state fire marshal, to adopt rules containing fire-resistant cigarette standards. Further, the bill specifies that the rules must be substantively identical to the New York state rules on the subject, including the provision allowing dealers to use up their existing inventory. Finally, the bill requires that the rules be adopted and in effect by Jan. 1, 2005, or six months after the New York rules go into effect, whichever is later.

Marty said he has been working on the issue since the late 1980s and that the aim of the bill is to reduce the number of fatal fires started because of careless smoking. Tom Brace, executive director, Minnesota State Fire Chiefs Association, spoke in support of the measure. He said that often the individuals who die as a result of fires started by cigarettes are other residents of the dwelling rather than the smoker. Jim Goold, representing tobacco interests, and Tom Bryant, Minnesota Wholesale Marketers Association, spoke in opposition. Goold said no one knows what the effect of the rules in New York will be and other states should wait to see the results before enacting similar laws. Bryant said the measure could require some wholesalers to maintain two inventories of fire-resistant cigarettes for sale in Minnesota and of

regular cigarettes for sale to markets outside Minnesota. The bill was laid over for possible inclusion in the omnibus crime prevention bill.

Members also advanced two bills authored by Committee Chair Leo Foley (DFL-Coon Rapids). S.F. 2357 defines collateral sanctions and requires the revisor of statutes to create a new statutory chapter containing cross-references to collateral sanction laws located throughout the statutes. Under the bill, a collateral sanction means a legal penalty, disability, or disadvantage that is imposed on a person automatically when that person is convicted of a crime, even if the sanction is not included in the sentence. The measure was recommended for placement on the Consent Calendar. S.F. 2479 limits postconviction relief after a direct appeal based on grounds that could have been raised on the appeal. The bill was approved and sent to the Senate floor.

The committee devoted the last portion of the hearing to a discussion of proposals dealing with methamphetamine crimes. Foley had directed authors of three bills dealing with methamphetamine crimes to resolve the bills into one proposal. Sen. Satveer Chaudhary offered an amendment to his original bill, S.F. 2148, containing some of the provisions of a bill authored by Sen. Julie Rosen (R-Fairmont) and some of the language from a bill authored by Sen. Dan Sparks (DFL-Austin). In addition, the amendment has a provision requiring a \$50 surcharge for persons convicted of drug offenses. The revenue from the surcharge is earmarked for education programs and a pilot treatment program contained in the amendment.

Sen. Dave Kleis (R-St. Cloud) offered an amendment to the amendment containing the provisions of the Rosen bill, S.F. 1580. Members discussed the contents of both amendments before laying all the proposals over for further work.

## Early Childhood Policy and Budget Division

### Early childhood funding discussed

The Early Childhood Policy and Budget Division met Thurs., Mar. 11, to discuss two bills. The bills, authored by Division Chair John Hottinger (DFL-St. Peter), were not in the division so action

was limited to hearing testimony on the proposals. S.F. 2034 restores funding for several early childhood programs including way to grow, school readiness, and Head Start. The measure also restores funding for early childhood family education aid, general community education revenue, and community education aid. Members also discussed S.F. 2035. The bill establishes funding for voluntary full-day kindergarten.

## Education

### Comprehensive sex ed approved

A bill requiring school districts to offer comprehensive family life and sexual education programs was approved at the Tues., Mar. 9, meeting of the Education Committee. Members, led by Sen. Steve Kelley (DFL-Hopkins), advanced the bill to the Finance Committee.

S.F. 2443 permits districts to offer comprehensive sexual education programs in K-6 classrooms and requires the programs in grades 7 through 12. The bill, carried by Sen. Sandra Pappas (DFL-St. Paul), defines comprehensive family life and sexual education as education that respects community values, encourages family communication and develops skills in communication, decision making and conflict resolution. Comprehensive sexual education, under the bill, contributes to healthy relationships, provides age appropriate and medically accurate human development and sexuality education, promotes responsible sexual behavior—including abstinence, use of protection and contraception—and promotes individual responsibility. The bill permits parents to excuse children from all or part of the program and to inspect the materials used in the program. S.F. 2443 also permits the Dept. of Education to contract with local health agencies or nonprofit organizations to assist school districts in implementing comprehensive sex education programs.

The bill aims to do better than what is currently being accomplished under the state's sexual education curriculum requirement, Pappas said. S.F. 2443 makes sure the law delivers what parents want, what districts need and what we know works, she said. Studies have shown that comprehensive sex education does not lead to increased sexual activity among teens, Pappas said, but that it actually delays intercourse. Committee members



# Committee update

adopted an amendment, offered by Pappas, requiring districts to establish policies to restrict access to materials used in the program by students who have been excused from the program. Nancy Nelson, Sexuality Education for Life-Minnesota, said Minnesota has witnessed a dramatic decline in infection and pregnancy, representing a decrease in sexual activity and safer habits among teens. Even so, she said, 50 percent of high school seniors are sexually active. Comprehensive sexual education address adolescents' complex lives, Nelson said, promotes responsible behavior and emphasizes abstinence. Bob Tracy, Minnesota AIDS Project, said the program envisioned by S.F. 2443 will continue current trends—decreasing sexual activity and increasing sexually active teens' communication with their partners and their use of contraceptives. No one is in a position to say that comprehensive sex education will meet specific numeric goals in sexual activity or unintended pregnancies, Tracy said. The current structure is producing favorable results, Sen. David Hann (R-Eden Prairie) said. To make the case for change, he said, proponents need to demonstrate change will result in improvements.

In other action, committee members considered three other bills. S.F. 2183, authored by Kelley, modifies the funding for online learning programs. The bill was re-referred to the Finance Committee. S.F. 800, also carried by Kelley, provides for alternative school district organization. Kelley said the bill is meant to encourage the development of an integrated K-12 system of charter school education. Sen. Geoff Michel (R-Edina) also sponsored a bill relating to charter schools. S.F. 2324 allows charter school students to participate in their resident school district's extracurricular activities, permits the commissioner of education to sponsor charter schools and removes a requirement that teachers have majority membership on charter school boards. Charter school students spoke in support of the bill, saying they should not be required to choose between the greater academic comfort offered by a charter school and the ability to participate in extracurricular activities. Representatives of school boards and Minnesota State High School League raised concerns regarding the implementation of specific provisions in the bill. Both S.F. 800 and S.F. 2324 were laid over for possible

inclusion in an omnibus education policy bill.

## Vending limits heard

A proposal restricting the sale in schools of carbonated and sweetened beverages was considered by a Senate panel, Thurs., Mar. 11. The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), laid the bill over for possible inclusion in an omnibus education policy bill.

S.F. 2167, authored by Sen. Becky Lourey (DFL-Kerrick), bans school districts from selling carbonated beverages as part of or in competition with the school lunch program, from placing vending machines in school cafeterias and from allowing the consumption of carbonated beverages in classrooms. The bill also requires districts to turn off vending machines during lunch hours, to keep the prices of carbonated beverages offered at or above the prices of nutritional beverages, to create a School Nutrition Advisory Council and to encourage students to drink milk and other nutritional beverages. Elementary schools must not allow the sale, advertising or consumption of sweetened beverages on school property during school hours, under the bill. Lourey said obesity is overtaking smoking among the leading causes of preventable death. Encouraging students to consume healthy beverages and restricting their access to soda, fruit drinks and other beverages addresses a serious public health concern, she said. Dr. Dick Diercks, Minnesota Dental Association, and Dr. Jeff Schiff, Minnesota Medical Association, discussed the health dangers of excessive consumption of carbonated and sweetened beverages.

Representatives of education associations and vending companies spoke against the bill, saying districts are already taking action. As schools recognize the problem, they are responding, said Charlie Kyte of the Minnesota Association of School Administrators. Many cafeterias are open commons, not easily-defined, enclosed spaces, he said. The provision prohibiting sales in elementary schools also bans vending machines in staff lounges, Kyte said, and no elementary school currently has vending machines available to students. The vending industry and school districts are already working together, he said. Bonnie Barrer, Midwest Coca-Cola Bottling, said many

districts see a majority of their vending sales come from water, juices and re-hydrating sports drinks. The industry works with every district to meet its needs and concerns, she said.

The bill arrogantly assumes that school boards and parents will not handle the problem, said Sen. David Hann (R-Eden Prairie). Local officials and parents are capable and do want to do the right thing, he said. At the state level, Hann said, we can only make one-size-fits-all policy that might, in the end, fit only a few situations. Sen. David Tomassoni (DFL-Chisholm) said Lourey is "winning the war," because districts and the industry have recognized the issue. However, he said, legislation often has unintended consequences. Kelley said districts have struck a Faustian bargain, earning money for educational programs by essentially encouraging students to consume potentially harmful products.

In other action, the panel considered two other measures. S.F. 2494, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), allows the colors fluorescent yellow, fluorescent yellow-green and blaze orange to be used for school safety patrol accessories and flags. The bill was sent to the Senate floor. S.F. 2026, carried by Kelley, is the Department of Education's administrative policy bill. The measure includes several proposals, many of which are primarily technical. The bill also authorizes the commissioner of education to adopt rules relating to new social studies and science standards. S.F. 2026 was re-referred, without recommendation, to the Judiciary Committee for a review of data practices provisions.

## Elections

### FACE bill gains

The topic of campaign finance took center stage at the Fri., Mar. 5, meeting of the Elections Committee. The panel, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), reviewed four measures that make varying changes in Minnesota's campaign finance laws.

The Fair and Clean Elections Act (FACE) said Chief Author John Hottinger (DFL-St. Peter), increases disclosure of campaign contributions to candidates, limits campaign contribution and expenditures and increases public subsidies for state candidates who agree to limit the sources and amounts of contribu-

tions to their campaigns. S.F. 998 provides candidates for statewide office or the Legislature with public money equal to about 80 percent of their campaign spending limit in return for lower contribution limits, Hottinger said. Under the bill, political parties and legislative caucuses could contribute to participating candidates up to 25 percent of their public subsidy, could contribute to non-participating candidates an amount equal to 10 times the contribution limit for individuals and could expend funds for ads that don't mention the name of any candidate or that are not on behalf of any candidate. The bill prohibits parties and caucuses from making independent expenditures if they participate in the political contribution refund program or if they make contributions to PACs. The measure also limits contributions from any individual or PAC.

Gwen Myers, League of Women Voters, Steve Hunter, Minnesota AFL-CIO, and Beth Fraser, Minnesota Alliance for Progressive Action, spoke in support of the measure.

The panel also considered S.F. 6, authored by Sen. John Marty (DFL-Roseville), which provides for campaigns funded without special interest money. The bill requires notice of independent expenditures, requires reports of excess spending by candidates who do not agree to limit spending, reduces contribution limits and spending limits and increases public subsidies for candidates who agree to lower contribution limits.

Members adopted an amendment to S.F. 998 that deletes language relating to principal campaign committees accepting or spending contributions from political party units or dissolving principal campaign committees. The bill was approved and advanced to the Finance Committee. No action was taken on S.F. 6.

S.F. 11, also authored by Marty, prohibits independent expenditures by political parties as a condition of receiving a public subsidy. The measure failed to gain the committee's approval.

The final bill under consideration, S.F. 1249, requires candidates to receive a certain percentage of votes in a general election to be eligible to receive payments from the state elections campaign fund. The bill, sponsored by Sen. Linda Higgins (DFL-Mpls.), also permits a political party to lose major party status every two years, rather than every four years. Under the

measure, candidates for statewide office must receive at least 5 percent of the vote or candidates for legislative office must receive at least 10 percent of the vote to qualify for public campaign funds. The bill was approved and advanced to the Senate floor.

## Environment and Natural Resources

### Land bills okayed

The Environment and Natural Resources Committee met Mon., Mar. 8, to consider several measures on a variety of topics.

S.F. 2222, authored by Sen. Steve Kelley (DFL-Hopkins), memorializes Minnesota's Congressional Delegation to authorize an increase in the existing Boundary Waters Canoe Area Wilderness reservation fee to be allocated to Minnesota's Permanent School Fund. S.F. 1662, carried by Sen. Thomas Bakk (DFL-Cook), modifies state lease restrictions on Horseshoe Bay in Cook County. Both measures were approved and sent to the Senate floor.

S.F. 1988, sponsored by Sen. Dennis Frederickson (R-New Ulm), authorizes the conveyance of state land in Redwood County. S.F. 226, authored by Committee Chair John Marty (DFL-Roseville), clarifies the authorized uses of the environmental response and liability remediation fund. Both bills were approved and recommended for placement on the Consent Calendar.

S.F. 2090, sponsored by Sen. Dallas Sams (DFL-Staples), creates a certification program for new wastewater treatment technology. Members also approved S.F. 2236, authored by Sen. Gen Olson (R-Minnetrista). The bill modifies provisions relating to warrantied sewage treatment systems. Both measures were approved and re-referred to the Finance Committee.

Two bills were approved and advanced to the State and Local Government Operations Committee. S.F. 2201, carried by Sen. Don Betzold (DFL-Fridley), provides for administrative penalty orders and provides civil penalties for activities affecting the course, current or cross section of public waters. Under the bill, the maximum monetary amount of an administrative penalty order is \$10,000 for each violator for all violations

by that violator identified in an inspection or review of compliance. S.F. 2216, sponsored by Marty, makes a number of housekeeping changes in provisions relating to the Dept. of Natural Resources.

S.F. 2204, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), is the technical public lands bill. The measure modifies provisions for the sale and disposition of surplus state lands, modifies state land management provisions and adds to and deletes from state forests and wildlife management areas. The measure was approved and advanced to the full Senate.

### Land sales bills heard

The Environment and Natural Resources Subcommittee on Public Lands and Water, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), met Mon., Mar. 8, to take action on several bills dealing with tax-forfeited land sales.

S.F. 1988, authored by Sen. Dennis Frederickson (R-New Ulm), provides for the conveyance of surplus state land in Redwood County. S.F. 2484, sponsored by Sen. Paul Koering (R-Fort Ripley), provides for the sale of tax-forfeited land in Crow Wing County. S.F. 2588, sponsored by Sen. Rod Skoe (DFL-Clearbrook), authorizes the sale of tax-forfeited land in Mahnom County. S.F. 2419, carried by Sen. David Tomassoni (DFL-Chisholm), provides for the sale of tax-forfeited land in St. Louis County.

All of the measures were approved and amended into the vehicle bill, S.F. 2205. The measure, sponsored by Saxhaug, provides for public and private sales of state lands and removes land from the George Washington State Forest. The bill was advanced to the full committee.

### Wetlands bill advanced

Members of the Environment and Natural Resources Committee met Wed., Mar. 10, to take action on two bills. The panel, chaired by Sen. John Marty (DFL-Roseville), held an abbreviated meeting in order to allow the Subcommittee on Game and Fish to meet afterward.

S.F. 2363, authored by Sen. John Hottinger (DFL-St. Peter), provides specifications for review and waivers under the federal Clean Water Act, directs the Board of Water and Soil Resources to develop rules for implementing the professional wetland delineator



# Committee update

certification program and modifies the environmental review of a proposed action process to take into account relevant local plans. The bill was referred to the Finance Committee.

The committee also considered S.F. 1900. The measure, authored by Sen. Michael Jungbauer (R-East Bethel), clarifies the analysis of water table level for purposes of individual sewage treatment design. Members adopted an amendment specifying that redoximorphic features encountered in the individual sewage treatment system design analysis or compliance inspection process that are associated with a redoximorphic zone in conjunction with a water table or seasonally saturated zone should agree with the other hydrologic or biologic information available at the site. Further, the amendment provides that where there is disagreement, the individual sewage treatment system designer or inspector must determine if there are scattered redoximorphic inclusions, possibly relict or evidence of some other geologic event no longer representative of the current seasonally saturated zone and now located in the unsaturated zone. The bill was advanced to the Senate floor.

## Nonresident limits considered

The Environment and Natural Resources Subcommittee on Game and Fish met Wed., Mar. 10, to consider bills dealing with a variety of game and fish issues. The panel, chaired by Sen. Tom Saxhaug (DFL-Grand Rapids), also heard a presentation on hunting bears with hounds.

S.F. 1823, authored by Sen. Pat Pariseau (R-Farmington), provides that fishing and hunting licenses issued to nonresidents who live in a state that prohibits Minnesota residents from taking game or fish during a part of the season that is open to residents of that state are not valid for taking game or fish during the first 14 days of the Minnesota season. Pariseau said the bill is a response to actions taken by neighboring states that have limited Minnesota residents' ability to hunt and fish during early parts of the states' seasons. The measure was approved and advanced to the full committee.

Members also approved a bill allowing an exception to the ban on importing hunter harvested cervidae carcasses into the state. S.F. 1777, sponsored by Sen. Michelle Fischbach (R-

Paynesville) specifies that a carcass that is verifiably destined, by prearrangement, to a taxidermist or meat processor within the state may be imported.

The measure was advanced to the full committee.

A final bill, S.F. 1878, carried by Sen. Thomas Bakk, was laid over for inclusion in the subcommittee's omnibus game and fish bill. The measure allows nonresidents to obtain a trapping license, but specifies that a nonresident may take small game by trapping only on land owned by the nonresident, if the person possesses a trapping license and a small game license. The measure sets the fee for a nonresident trapping license at \$73.

## Environment, Agriculture and Economic Development Budget Division

### Bonding proposals heard

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), continued reviewing bonding proposals at the Tues., Mar. 9, hearing. No formal action was taken on any of the bills.

S.F. 2529, authored by Sen. Linda Higgins (DFL-Mpls.), authorizes an appropriation of \$5 million to Hennepin County for Phase I capital improvements to the Lowry Avenue corridor from Girard Avenue North to the I-94 bridge in Minneapolis. S.F. 1664, sponsored by Sen. Thomas Bakk (DFL-Cook), appropriates \$400,000 to the city of Duluth for design and construction of exhibits and facility improvements at the Lake Superior Zoo. The bill specifies that the appropriation must be matched by \$1 of money provided by the city for each \$1 of state money.

S.F. 1811, also carried by Bakk, appropriates \$1.571 million for a grant to the city of Two Harbors for a wastewater treatment plant equalization basin and chlorine-contact tank. S.F. 1764, sponsored by Sen. Steve Murphy (DFL-Red Wing), appropriates \$4 million to acquire key bluff land parcels along both sides of the Mississippi River National Recreation Area, from Anoka to Hastings. The bill also specifies that \$1.75 million of the appropriation be used to acquire the bluff land in Henry Park in St. Paul.

The panel also heard a proposal from the Minnesota Environmental Partnership on the partnership's water bonding agenda.

## Health and Family Security

### Parental consent proposal tripped

A bill requiring the consent of parents for the medical treatment of their minor children was considered by members of the Health and Family Security Committee, Tues., Mar. 9. The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), rejected a motion to approve the bill.

S.F. 570, carried by Sen. Sean Nienow (R-Cambridge), permits parents or guardians to access the health records of their minor children, unless the child has been living apart from the parents or is married. The bill also repeals provisions permitting minors to give consent for health care services involving treatment for pregnancy, sexually transmitted diseases and substance abuse. Teresa Collett, a professor of law at St. Thomas University, said current law allows minors of any age to give medical consent and close access to their parents. The parents, she said, may witness side effects of the treatment, but be completely unable to get information they need to help their children. Children often do not provide physicians with a complete medical history, Collett said, which could lead to dangerous consequences. There are abusive family situations, but that should not be default assumption about families under the law, she said. Sara, a 17-year-old, said her sister had an allergic reaction to birth control medication and collapsed in school. The Planned Parenthood clinic where she obtained the medication denied, to her parents, ever treating her sister, Sara said. Sara said she went to a clinic during school hours without parental consent. Hiding information about her sexual and substance abuse habits, Sara said, only kept her bad behavior going. "The clinic was my secret drug dealer," she said, "they supported my habits." Kresti Lyddon, Minnesota Family Council, said parents are involved in all the other medical decisions for their children, including long and difficult courses of treatment. Parents better understand treatment options, know the family's health history and are likely to ensure the child follows through on the prescribed treatment, Lyddon said.



**Nikki DeLaForest, a 17-year-old senior at Mounds View High School, expresses her concerns about the harmful effects of secondhand smoke she must endure at her part-time restaurant job to members of the Health and Family Security Committee, Tues., Mar. 9. Sen. Scott Dibble (DFL-Minneapolis), left, presented legislation that places a ban on smoking in all public places.**

Photo by David J. Oakes

Representatives of several health associations spoke against the measure and warned that removing minors' ability to consent will result in fewer minors seeking treatment at all. Margaret Dexheimer Pharris, Minnesota Nurses Association, said responsible health professionals encourage minors to talk to their parents. Current law, she said, allows practitioners to get the minor in the door and considering treatment, while also developing a trusting relationship with the practitioner. Dr. Edward Ehlinger, director of Boynton Health Services at the University of Minnesota, said students are not permitted to leave school grounds, in Minneapolis, for medical reasons without parental permission. There is no evidence, he said, that the confidentiality afforded to minors decreases the connectedness between parents and children. Ehlinger said the availability of confidential health care services does not increase high risk behaviors among minors.

Both sides agree we need to help parents communicate with children, Nienow said. He said current law is antithetical to the notion. Policymakers should ask themselves to what extent dangerous behavior could be tempered if children knew their parents had to be involved in resolving the consequences of that behavior, Nienow said. "To what extent does current law enable behavior that is dangerous and potentially lethal," he said. The opposition to the measure presumes that parents will react negatively and abusively toward their children, he said, though that is likely to be far from the case.

In other action, committee members approved three bills.

S.F. 1665 is an aggressive approach to the problem of unintended pregnancies, said Sen. John Marty (DFL-Roseville), chief author. The bill requires the Dept. of Education to develop a plan to ensure that all school districts provide compre-

hensive family life and sexuality education by the 2008-2009 school year and establishes a competitive statewide after-school enrichment grant program. At a reasonable time before or after an abortion is performed, the health care facility must provide the woman information on FDA-approved contraceptive methods, natural family planning and referral information on community resources providing family planning counseling at no or reduced cost, under the bill. S.F. 1665 requires the Dept. of Health to include on its website information on contraception and family planning. The bill also requires the Education Now and Babies Later (ENABL) program to be taught through a comprehensive sexuality education program that promotes postponing sexual activity and promotes male sexual responsibility. Marty said the measure ensures that family planning information is available across the state and will prevent more abortions than all the abortion restrictions enacted over the last 30 years. The bill was re-referred to the Education Committee.

Sen. Steve Dille (R-Dassel) carried S.F. 1990, which requires information on FDA-approved methods of contraception and family planning to be provided to women within a reasonable time before or after an abortion. Dille said data about the number of abortions performed, the likelihood that women had used contraception at the time of conception and the number of women who have more than one abortion led him to believe a greater focus is needed on preventing unintended pregnancies. S.F. 1990 was advanced to the Senate floor on a 6-2 roll call vote.

S.F. 2381 eliminates smoking in all public places, including places of employment, public transportation and public meetings. The bill, sponsored by Sen. Scott Dibble (DFL-Mpls.), defines a place of employment as any indoor area, including vehicles, where two or more persons work. The measure also expands the definition of public places to include bars, outdoor seating at restaurants and bars, youth centers and youth detention facilities. S.F. 2381 prohibits proprietors from providing smoking equipment, including matches and ashtrays, and expands the ban on smoking in schools from K-12 institutions to all public and private education institutions, including colleges and universities and their grounds. The bill does not prohibit



# Committee update

smoking in private residences, automobiles or hotel rooms. Local units of government may adopt more stringent anti-smoking policies, under the bill. Dibble said the measure is “a long delayed update to the Clean Indoor Air Act.”

Eliminating smoking in public places is good for individual health, public health and business, he said. Dibble said hospital workers, such as cocktail servers, should not be singled out for exposure to carcinogens. The public is crying out for a smoking ban, he said. Carla Blumberg, a restaurant owner in Duluth, said the city’s smoking ban has not adversely affected business. The issue is not one person’s right to smoke, she said, but the right of others to avoid secondhand smoke. Making money from smoking is not a sound business decision, Blumberg said.

However, Vickie Haugland said everything is not wonderful in Duluth. Haugland, who also owns a restaurant, said numerous small businesses have been forced to close because business dropped off after the city’s ban went into effect. Some chain restaurants, she said, have seen business grow, but even a chain restaurant that was open around the clock decided to close at night because of a lack of business. Many smokers, Haugland said, have chosen to drive to neighboring Superior, Wis., to eat and drink. “Smoking policy is best left to individual establishments, rather than being set by a government mandate,” said Tom Day of Hospitality Minnesota. “It is not fair to make restaurateurs alienate a portion of their customers,” he said. “There are many choices of types of restaurants, and customers should have a choice of whether to smoke or not,” Day said. He noted that many restaurants are voluntarily becoming entirely smoke-free. As demographics change and fewer diners want to smoke, the issue will become moot, he said.

S.F. 2381 was approved and advanced to the full Senate.

## Lead poisoning bill gains

Members of the Health and Family Security Committee reconvened for an evening hearing Tues., Mar. 9. One of the first bills considered, S.F. 1206, carried by Committee Chair Becky Lourey (DFL-Kerrick), provides for the prevention of lead poisoning and creates a lead-safe housing registry. The measure modifies when reports of blood lead analysis are

required to be reported to the commissioner of health by lowering the amount of lead from 15 to 10 micrograms of lead per deciliter of whole blood and allows blood to be taken by one venous blood sample or two capillary blood samples. The measure also requires the commissioner to maintain records of all screenings and to maintain a list of available training opportunities in lead-safe practices. In addition, the bill spells out the requirements for when a lead-risk assessment must be conducted of a residence and establishes requirements for properties to obtain lead-free status and lead-safe status. The bill also specifies that after the second lead order or correction order or after two criminal or civil actions property that has not been corrected is considered abandoned and the court may appoint a receiver for the property. The measure also establishes a right to injunctive relief against the owner of an affected property who fails to comply with lead-safe status.

The primary cause of childhood lead poisoning is poorly maintained older housing, said Don Gifford, a professor of law at the University of Maryland. The bill does not envision a total removal of lead paint from older homes, he said, but implements a less expensive series of measures to reduce the risk of lead exposure. Maintaining records of lead screenings, as included in the bill, allows public health officials to target their efforts, Gifford said. Sue Gunderson, Sustainable Resources Center, also spoke in support of the bill.

Jack Horner, Minnesota Multi-Housing Association, argued against the bill and said, Minnesota currently has a model law, which has been crafted over 25 years, to deal with lead poisoning. He said the bill takes a dramatically different approach to dealing with the issue. “The bill is a bold attempt by large paint companies to shift liability to homeowners and landlords,” Horner said.

The measure was approved and re-referred to the Judiciary Committee.

Members also took action on a variety of other bills. S.F. 2196, sponsored by Sen. John Hottinger (DFL-St. Peter), extends the expiration date of a supportive housing and managed care pilot project until 2007. The measure was approved and advanced to the Finance Committee. S.F. 2308, carried by Sen. Thomas Bakk (DFL-Cook), converts

some loans made under the rural hospital capital improvement grant and loan program to grants. The bill was approved and sent to the full Senate.

S.F. 2242, authored by Sen. Sheila Kiscaden (IP-Rochester), clarifies the implementation of a birth defects information system. S.F. 1875, sponsored by Sen. Linda Berglin (DFL-Mpls.), modifies requirements for a relative search in out-of-home placement cases. The bill specifies that a relative’s decision to not be a placement resource at the beginning of the process does not affect whether the relative is considered for placement of the child at a later date. The measure was approved and re-referred to the Judiciary Committee.

Two measures sponsored by Lourey were approved and re-referred to the Finance Committee. S.F. 2477 reduces the co-payment for General Assistance Medical Care inpatient hospitalization services from \$1,000 to \$100. S.F. 2615 repeals the family cap for Minnesota Family Investment Program recipients.

## Provider payment increase okayed

A bill providing an annual two percent rate increase for intermediate care facilities for persons with mental retardation was heard at the evening portion of the Health and Family Security Committee Thurs., Mar. 11. S.F. 2023, carried by Committee Chair Becky Lourey (DFL-Kerrick), also terminates the one percent rate reduction for community based providers implemented last July. Lourey said the bill also provides for a two percent rate increase for a variety of other home care and health care services. Under the measure, two-thirds of the increase must be spent for wages and benefits. The measure was supported by a variety of organizations. The bill was approved and re-referred to the Finance Committee.

The committee also approved a bill authorizing a long-term care partnership program. S.F. 2360, sponsored by Sen. Linda Berglin (DFL-Mpls.), authorizes the commissioner of human services and commissioner of commerce to establish the long-term care partnership program through a combination of private insurance and Medical Assistance. Berglin offered an amendment, which the panel adopted, authorizing a Programs for All-Inclusive Care for the Elderly (PACE), under federal laws and regulations

governing that program and participating providers. Berglin said Minnesota was one of just a few states that did not have a PACE program. The bill was approved and advanced to the Senate floor.

Two measures were recommended for the Consent Calendar. S.F. 1671, sponsored by Sen. Mee Moua (DFL-St. Paul), places the term "assisted living facility" into statute as a formal means of referring to registered housing with services establishments. Many long-term care insurance policies refer to assisted living facilities, but in Minnesota such facilities are called housing with services. The change is to make the terms equivalent for purposes of long-term care insurance. S.F. 1604, sponsored by Berglin, requires a planned nursing facility closure to have no cost to the department. In addition, the measure was amended to include the contents of S.F. 1605. The bill, also carried by Berglin, requires the Dept. of Human Services to adjust nursing facility payment rates under specific circumstances.

Members also approved a bill providing for a review of hospital moratorium exceptions. S.F. 1835, authored by Sen. Michelle Fischbach (R-Paynesville), specifies that a hospital seeking to increase its number of licensed beds or an organization seeking to obtain a hospital license must submit a plan to the commissioner of health. Fischbach said the bill does not remove the responsibility of approving exceptions from the Legislature, but allows for impartial gathering of information. The bill was sent to the full Senate.

## Health, Human Services and Corrections Budget Division

### HFA plan for homeless discussed

The Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), tackled two topics at the Tues., Mar. 9, hearing. The first topic, the Minnesota Housing Finance Agency plan to serve the chronically homeless, occupied the first half of the hearing. Tonya Orr, assistant commissioner for housing policy, detailed the report of a Working Group on Long-Term Homelessness established last summer. The report provides an overview of homelessness and long-term homelessness and outlines a strategy of housing with support services as a proven method of

addressing long-term homelessness. Orr said the working group determined that different housing models would work in different situations, that best practice, evidence-based models should be pursued and that consumer choice should be maximized.

The report details a business plan to end long-term homelessness in Minnesota by 2010. The plan includes providing housing with support service opportunities to 4,000 additional households and using cost effective reforms for providing housing and support services. The plan estimates a total approximate cost of \$540 million over 7 years from all sources including state bonding, the Minnesota Housing Finance Agency, the Dept. of Human Services, the federal government, local governments and philanthropic and non-profit organizations.

The second half of the hearing was devoted to a detailed discussion of the governor's supplemental budget recommendations for the Dept. of Human Services. Assistant Commissioner of Health Care Brian Osberg, Assistant Commissioner of Continuing Care Loren Colman and Assistant Commissioner of Children and Family Services Maria Gomez all spoke to the panel on specific budget items. The full recommendations are available online: <http://www.budget.state.mn.us>.

### Budget recommendations heard

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Mar. 10, and Thurs., Mar. 11, to consider the governor's supplemental budget recommendations for FY 04-05.

The panel considered the recommendations for the Departments of Health, Corrections and Human Services. The full recommendations are available online: <http://www.budget.state.mn.us>. The division also heard a report concerning disparities and barriers to utilization among Minnesota health care program enrollees.

## Higher Education Budget Division

### Bonding proposals heard

The Tues., Mar. 9, meeting of the Higher Education Budget Division was

devoted to reviewing several bonding proposals and discussing doctoral programs. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), took no formal action on the bills.

S.F. 1886, authored by Sen. Yvonne Prettner Solon (DFL-Duluth) appropriates \$18.767 million for projects at the University of Minnesota-Duluth. The measure specifies \$1.467 million be used to design a new building for the Lebowitz School of Business and Economics, \$8 million to construct, furnish and equip the recreational sports facility and \$9.3 million to renew the life sciences building. S.F. 2475, sponsored by Sen. Scott Dibble (DFL-Mpls.), appropriates \$5.79 million for the design, remodeling, furnishing and equipping of basic science laboratories and a health sciences center for nursing at Minneapolis Technical and Community College.

S.F. 1755, sponsored by Sen. Thomas Bakk (DFL-Cook), appropriates \$10.35 million to construct an addition to house all student services, high-tech classrooms, open computer labs, space for workforce development and faculty and administrative offices at Lake Superior College. S.F. 1784, authored by Sen. Sheila Kiscaden (IP-Rochester), appropriates \$11.745 million to construct, using the design/build method, furnish and equip the renovation of the vacant Rockenbach gymnasium, selected areas of the Heintz Center and portions of the University Center Rochester main campus buildings all for use as a health sciences center for Rochester Community and Technical College.

S.F. 1949, authored by Sen. Dave Kleis (R-St. Cloud), provides the option for a state college or university to elect self-governance and provides for the administration of an independent state college or university. S.F. 2361, sponsored by Sen. John Hottinger (DFL-St. Peter), provides that the state universities offer undergraduate and graduate instruction through the applied doctoral degree, including specialist certificates, in the liberal arts and sciences and profession education. S.F. 2276, also carried by Hottinger, authorizes St. Cloud State University and Minnesota State University, Mankato, to prepare and submit to the Legislature a report on a plan to develop and offer doctoral level programs or degrees.



# Committee update

## Bond proposals heard

The Higher Education Budget Division, chaired by Sen. Sandra Pappas (DFL-St. Paul), met Thurs., Mar. 11, to consider bond proposals and two bills dealing with student grants.

All of the bills were laid over.

S.F. 2022, sponsored by Sen. Steve Dille (R-Dassel), appropriates \$5.1 million for renovation of the University of Minnesota Twin Cities Campus-St. Paul Dairy Barn. The measure specifies the renovation includes classroom, conference and computer lab space as well as a commons area for students, faculty and visitors. In addition, the measure provides that the dairy barn be renamed the Ben Pomeroy Student-Alumni Learning Center. S.F. 2670, also sponsored by Dille, appropriates \$245,000 for the Joint Plant Pathology Center on the St. Paul campus of the University of Minnesota. S.F. 2569, sponsored by Sen. Becky Lourey (DFL-Kerrick), appropriates \$1.985 million for projects at Northland Community and Technical College involving the relocation of a workforce center, remodeling to expand nursing programs and remodeling related to instructional and office space.

S.F. 2606, carried by Pappas, provides reserve funding for the state grant program to be used upon certification by the director of the Higher Education Services Office to the director of finance that the amount appropriated for state grants is insufficient to make grant awards through the end of the fiscal year. S.F. 2649, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), creates a postsecondary study-abroad grant program and sets forth eligibility requirements.

A final bill, S.F. 2695, also sponsored by Pappas, makes technical and house-keeping changes to provisions relating to the Higher Education Services Office.

## Jobs, Energy and Community Development

### Greenhouse gas reduction okayed

A bill requiring state agencies to develop a plan to reduce the emission of greenhouse gases from power plants and other sources was approved by members of the Jobs, Energy and Community Development Committee, Mon., Mar. 8. The bill, sponsored by Committee Chair Ellen Anderson (DFL-St. Paul), was re-referred to the Environment and Natural Resources Committee.

S.F. 2580 includes two pages of findings on the threats posed by greenhouse gas emissions to the state's economy and natural resources—including possible harm to forests and bodies of water, increased flooding and reductions in tourism, recreational activities and agricultural productivity. The measure identifies carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride as greenhouse gases. The Dept. of Commerce must develop a plan to reduce greenhouse gas emissions, including reduction goals, a list of cost-effective ways to achieve the goals, and specific action needed in the sectors of energy, transportation, industry, commerce, institutions and residences, under the bill. The bill also requires the plan to include a regional cap and trade program. The plan must be submitted to the Environmental Quality Board and the Legislature by Dec. 1, 2004. S.F. 2580 also requires the Public Utilities Commission (PUC) and the Minnesota Pollution Control Agency (MPCA) to report any actions they take or permit that are expected to reduce or increase greenhouse gas emissions.

Anderson said the state must be a leader on the issue of climate change. The bill represents a small step, she said, by bringing a diverse group together to develop recommendations to maintain and encourage economic growth while responding to climate change. Several individuals spoke in support of the measure and discussed the possible harms of climate change caused by greenhouse gas emissions. Sen. David Gaither (R-Plymouth) said much of the hyperbole used in describing possible dangers tend to marginalize the real information and likely outcomes and impede the truly needed conversations about environmental policy.

Deputy Commissioner Edward Garvey said the Department of Commerce has four concerns with the bill. Resources will be diverted from current departmental activity relating to the promotion of low cost and environmentally friendly energy sources, he said, as the department develops the plan. Further, Minnesota may not need the plan required in the bill, Garvey said, because the department and the MPCA are already putting a lot of effort into the area. He noted that planning and studies have been conducted for years on climate

change and the bill duplicates some of those efforts. Implicit in the bill is unilateral action to be taken by Minnesota, putting the state at a competitive disadvantage, Garvey said. Minnesota cannot do enough to solve a global problem, he said. Anderson said the state needs to go beyond what each agency is doing. A broader statewide discussion with all parties at the table is needed, she said.

In other action, the committee advanced three other bills. S.F. 2429, carried by Sen. Steve Murphy (DFL-Red Wing), requires employers to provide employees with advance notice of intention to terminate the employees due to the shifting of job duties out of the country. S.F. 2472, sponsored by Anderson, modifies the cold weather disconnection rule and budget billing plan provisions for utilities. Both measures were sent to the Senate floor. S.F. 2457, authored by Sen. Don Betzold (DFL-Fridley), was re-referred to the Tax Committee. The bill authorizes the Anoka County Regional Railroad Authority to exercise economic development authority powers.

## Judiciary

### Equity stripping bill advanced

Members of the Judiciary Committee met Tues., Mar. 9, and approved a bill, S.F. 2412, regulating mortgage foreclosure reconveyances. Foreclosure reconveyance involves a series of financial transactions transferring the title of real property by a foreclosed homeowner during a foreclosure proceeding to a third party and the conveyance of the property back to the foreclosed homeowner after the foreclosure proceedings have concluded. Chief Author Ellen Anderson (DFL-St. Paul), said the bill is aimed at addressing fraudulent practitioners of foreclosure reconveyance, also known as "equity strippers." The measure requires foreclosure purchasers to be licensed, sets forth prohibited practices and requires a notice to be given, along with a foreclosure notice, to advise homeowners on becoming informed about the foreclosure process.

Discussion on the measure centered on provisions in the prohibited practices portions of the bill. The measure requires a foreclosure purchaser to verify and demonstrate that the foreclosed homeowner has a reasonable ability to pay for

the subsequent conveyance of an interest back to the foreclosed homeowner. Several committee members argued that it is difficult for the foreclosure purchaser to verify another person's ability to pay. In addition, the bill requires the foreclosure purchaser to provide consideration to the foreclosed homeowner of at least 85 percent of the fair market value of the property purchased for any foreclosure reconveyance. Sen. Thomas Neville (R-Northfield) moved to delete language prohibiting a foreclosure purchaser from entering into repurchase or lease terms as part of the subsequent conveyance that are unfair or commercially unreasonable or engages in any other unfair or unconscionable conduct. Anderson argued that the language is being refined and that it should remain in the bill. The motion to delete the language failed. The bill was approved and advanced to the Senate floor.

The committee, chaired by Sen. Don Betzold (DFL-Fridley), spent most of the balance of the hearing discussing a bill authorizing the award of attorney fees in certain eminent domain situations and requiring the demonstration of primary public purpose to justify the exercise of eminent domain in some circumstances. S.F. 2037, authored by Sen. Sheila Kiscaden (IP-Rochester), also changes provisions dealing with appraisals, requires the commissioner of transportation to prepare a publication that summarizes the eminent domain process for transportation projects and spells out the process for an award of attorney fees for condemnations. The measure specifies that an award of attorney fees may be made in cases where the amount awarded to the owner as part of the final judgment or award of damages exceeds the last written offer of compensation or the amount deposited with the court by 20 percent or more. The bill also provides that in cases where property is conveyed to a person without the power of eminent domain, the court may not authorize the taking unless the petitioner proves by a preponderance of the evidence that it is reasonably necessary, authorized by law and the final use of property is for a primary public purpose.

Several individuals spoke in support of the measure, citing instances, such as the Walser car dealership taking by the city of Richfield for the new Best Buy corporate headquarters, as examples of the

unfair use of eminent domain. The panel discussed the use of the word "primary" in the phrase "primary public purpose" and ultimately adopted an amendment changing the word to "primarily." Due to time constraints, the committee was unable to hear opposition testimony and laid the bill over for further discussion.

Members did approve several additional bills. S.F. 2065, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), amends the definition of "municipality" for purposes of the Municipal Tort Claims Act to include a limited partnership in which a community action agency is the sole general partner. The measure was recommended for placement on the Consent Calendar. S.F. 2498, carried by Sen. Wesley Skoglund (DFL-Mpls.), provides that ex parte orders for protection and temporary restraining orders are effective upon a referee's signature. The measure was advanced to the Senate floor.

Betzold sponsored two measures. S.F. 2131, the revisor's bill, corrects erroneous, ambiguous, and omitted text and obsolete references. S.F. 2332 makes changes to the Uniform Commercial Code relating to warranties and liability with respect to remotely created items. Both bills were advanced to the Senate floor.

Members also re-referred S.F. 2041, relating to recording and registration fees, to the Finance Committee. The bill, sponsored by Sen. Julie Rosen (R-Fairmont), was not actually heard by the committee because the measure is more properly under the jurisdiction of the Finance Committee.

### **Data privacy bills gain**

Members of the Judiciary Subcommittee on Data Practices, chaired by Sen. Wesley Skoglund (DFL-Mpls.), met Tues., Mar. 9, to consider several bills.

S.F. 2365, carried by Sen. Steve Kelley (DFL-Hopkins), modifies the reporting system under the Minnesota Adverse Health Care Events Reporting Act. Kelley also sponsored a bill, S.F. 565, restricting the use and display of Social Security numbers. Sen. Don Betzold (DFL-Fridley) carried S.F. 2223, which makes technical corrections to statutes governing data related to the Dept. of Employment and Economic Development. All three bills were advanced to the full Judiciary Committee.

The remaining bills heard were approved for inclusion in the omnibus

data practices bill. S.F. 874, authored by Sen. Linda Higgins (DFL-Mpls.), provides for the sharing of welfare or health data and authorizes Hennepin County mental health services to share mental health data with the Minneapolis Police Department crisis intervention team. Sen. Betsy Wergin (R-Princeton) carried S.F. 1199, which removes personnel data relating to the city and county of residence of a public employee from classification as public data.

Betzold sponsored five additional measures. S.F. 1617 authorizes community mental health centers, county mental health divisions or providers to release mental health data to Hennepin County Criminal Mental Health Court personnel in advance of client or patient consent to assess the treatment needs of defendants and to incorporate the needs into voluntary case disposition plans. Another bill, S.F. 1618, authorizes responsible authorities for community mental health centers, county mental health divisions or mental health providers to disclose mental health data to law enforcement agencies to respond to emergencies. S.F. 1785 requires the release of peace officer reports relating to domestic abuse to victims and attorneys upon request. S.F. 2166 modifies the classification of income property assessment data collected by local governments. S.F. 2589 provides for the classification as nonpublic data of specific location data procured by the Department of Natural Resources identifying protected wild animals or endangered, threatened or special concern plant or animal species.

Three bills were carried by Skoglund. S.F. 2501 classifies municipal utility customer data and electronic municipal newsletter subscriber data as private. S.F. 2552 extends the domestic fatality review team pilot project in the Fourth Judicial District until 2006. The third bill, S.F. 1889, classifies certain data as private or nonpublic including group health, dental or disability plan service cooperatives claims data and survey information, inactive investigative data on individuals and market value appraisal data on property owned by cities. S.F. 1889 was approved as the vehicle for the omnibus data practices bill and sent to the full committee.

### **Drug gift ban penalty set**

A bill providing a civil penalty and enforcement for the gift ban for prescrip-



# Committee update



*From left to right, Senators Michelle Fischbach (R-Paynesville), David Gaither (R-Plymouth) and Geoff Michel (R-Edina) consult during a recent K-12 Education Budget Division hearing.*

Photo by David J. Oakes

tion drug practitioners was approved at the Thurs., Feb. 11, afternoon meeting of the Judiciary Committee.

S.F. 2189, authored by Sen. Sandra Pappas (DFL-St. Paul), adds enforcement provisions to existing law providing that it is unlawful for any manufacturer or wholesale drug distributor to offer or give any gift of value to a practitioner. Pappas said the current law lacks teeth and the bill gives the Attorney General's Office the ability to go after violators of the ban. Bob Vanasek, representing PhRMA, said the measure was inconsistent because it contained no sanctions against recipients. "The industry has its own code of ethics and is covered by federal law," Vanasek said. However a representative of the Attorney General's Office said the office has received complaints but has not had the ability to prosecute.

Sen. John Marty (DFL-Roseville) offered an amendment making it unlawful for a practitioner to accept a gift. The

amendment was adopted. Sen. Thomas Neuville (R-Northfield) offered an amendment delaying the effective date until Jan. 1, 2005. He said a later date would allow more people to become aware of the change in the law. The amendment was adopted and the bill was advanced to the Senate floor.

The committee, chaired by Sen. Don Betzold (DFL-Fridley), approved several additional bills at the afternoon hearing. S.F. 2314, sponsored by Sen. William Belanger (R-Bloomington), requires the Commission on Judicial Selection make recommendations to the governor concerning nominees for vacancies on the Tax Court. The measure was approved and re-referred to the Tax Committee. S.F. 2219, carried by Sen. Betsy Wergin (R-Princeton), allows funeral providers who prevail in suits for the recovery of fees for services to also recover costs, disbursements and reasonable attorney fees. Wergin said that in some areas,

funeral providers are providing services, but family members are not paying for the funeral. She said in Greater Minnesota, some providers may perform only one funeral a week and not being paid is a substantial hardship. The measure was approved and sent to the Senate floor. S.F. 2231, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), clarifies the circumstances when a peace officer may recoup attorney fees and costs in a civilian complaint proceeding. The measure was also approved and sent to the Senate floor.

S.F. 2392, carried by Sen. Linda Scheid (DFL-Brooklyn Park), defines purchase money mortgages. The measure was approved and sent to the full Senate. S.F. 565, sponsored by Sen. Steve Kelley (DFL-Hopkins), restricts the use and display of Social Security numbers. The measure was approved and sent to the full Senate. S.F. 2365, also carried by Kelley, clarifies language enacted last year

relating to the reporting of adverse health care events. The bill was approved and re-referred to the Health and Family Security Committee.

Members also reviewed portions of the health care cost containment bill, S.F. 1760. The measure, authored by Sen. Linda Berglin (DFL-Mpls.), contained three provisions that fell under the committee's jurisdiction. However, an amendment removed one provision and significantly changed another provision to deal with the collection of information about best practices and quality improvement, rather than collection of information about individuals. In addition, the measure contains provisions dealing with converting to electronic medical record systems. Berglin said the bill pertains only to the form of medical record systems and that all current data privacy provisions continue to apply to the electronic format. A motion to lay the bill on the table failed on a divided voice vote. The measure was approved and re-referred to the Finance Committee.

### **Eminent domain bill gains**

A bill changing the way private property is acquired for public purposes was approved by members of the Judiciary Committee, Thurs., Mar. 11. The measure, sponsored by Sen. Sheila Kiscaden (IP-Rochester), was re-referred to the State and Local Government Operations Committee.

S.F. 2037 requires government entities to pay attorney fees and permits property owners to challenge the classification of the project as being for a public purpose. Kiscaden said the proposal has evolved several times. She expressed her continuing commitment to working with parties on both sides. Keith Carlson said the Metropolitan Inter-County Association still has concerns about the precedent of awarding attorney fees as part of the acquisition process. Don Theisen, Washington County, said other states have seen attorney fees represent a double digit percentage of the total acquisition costs. We all pay for that increase, he said, as taxpayers. Lisa Agrimonti, representing the League of Minnesota Cities, said the timing of the disclosure of the owner's appraisal of the property to the condemning authority should be limited to 60 days instead of the 90 days in the bill. Stephen Bubul, also representing the League, said a provision limiting the ability of municipi-

palities to reconvey property to another private entity severely restricts redevelopment. Kiscaden said the proposal aims to give property owners an opportunity to challenge a community's claim that there is a public purpose behind the reconveyance. Before advancing the bill, members adopted an amendment, offered by Sen. Julianne Ortman (R-Chanhassen), removing provisions pertaining to attorney fees.

Kiscaden also carried S.F. 2246, which extends the state's immunity, in claims arising from licensure, to counties. One of the few state licensing actions delegated to counties as agents of the state is day or child care licensing, she said. In other cases where a claim might be brought if a licensee causes harm, the state has immunity but counties do not, she said. If a county is not fulfilling its responsibility as an agent of the state, she said, the state has the responsibility to take action against the county. S.F. 2246 resolves the problem, Kiscaden said, by letting counties operate under the state's umbrella of immunity. Assistant Hennepin County Attorney Daniel Rogan said unrelated licensing problems can be used in a lawsuit brought against a county if a care provider harms a child. Current law puts employees in an awkward situation—document every violation, even relatively minor ones, or shield the county from liability, said Ruth Krueger, representing the Metropolitan Inter-County Association and the Minnesota Association of County Social Services Administrators. However, Committee Chair Don Betzold (DFL-Fridley) said, if a licensing authority knows there is a dangerous situation and does nothing about it, it ought to be sued. Ortman said the crucial point is that if state employees were performing the licensing activity, the state would be immune from the lawsuits. The current law is not an accident, said Joel Carlson of the Minnesota Trial Lawyers Association. The Legislature wanted to be sure counties were acting to protect children, he said. Carlson said the law does not provide for unlimited recovery from counties, but limits awards to \$300,000. The measure was laid on the table.

In other action, committee members considered nine additional bills. S.F. 838, carried by Sen. Linda Higgins (DFL-Mpls.), provides for the collection and recycling of electronic products. The bill

was heard by the committee last year and sent to the full Senate, but returned to the committee at the end of the 2003 session under Rule 47. The bill was forwarded to the Finance Committee. S.F. 1559, also authored by Higgins, provides a process for establishing ownership of property loaned to museums. Within the committee's jurisdiction was a provision permitting museums to apply conservation measures to property and allowing museums to acquire a lien on the property for the conservation costs. The bill was sent to the full Senate. Higgins sponsored a third bill, S.F. 2343, that was not officially before the committee. The measure permits municipalities to conduct closed meetings to discuss security information. No action was taken on the bill.

S.F. 2428, carried by Sen. Jim Vickerman (DFL-Tracy), establishes procedures for the use of electronic documents and electronic signatures for grain purchase contracts. The measure was re-referred to the Agriculture, Veterans and Gaming Committee. Sen. Dallas Sams (DFL-Staples) sponsored S.F. 717. The bill permits holders of E-2 visas to own or lease farm land and to engage in dairy farming. S.F. 717 was sent to the Senate floor. S.F. 2426, carried by Sen. Linda Berglin (DFL-Mpls.), provides for public defender access to government data. The bill was advanced to the Finance Committee.

Berglin also authored S.F. 1875, which permits relatives who decide not to be a placement resource at the beginning of an out-of-home placement case to still be considered for placement later in the case. The bill was sent to the Senate floor. S.F. 1846, authored by Sen. Steve Dille (R-Dassel), requires divorcing parents to attend an orientation and education program. Members adopted an amendment, suggested by Dille, requiring the program to last at least 8 hours, instead of the 10 hours in the bill. S.F. 1846 was also sent to the full Senate. The final bill, S.F. 2674, permits residents or property owners of a community granting a business subsidy to sue the subsidy grantor for failing to follow procedures required before the subsidy agreement is approved. The measure, carried by Sen. John Hottinger (DFL-St. Peter), requires the action to be brought within 180 days of the approval of the subsidy. S.F. 2674 was advanced to the Tax Committee.



# Committee update

## K-12 Education Budget Division

### Fund transfer bills heard

Members of the K-12 Education Budget Division devoted the first portion of the Tues., Mar. 9, hearing to discussion of a study entitled "Determining the Cost of an Education in Minnesota." The study, by the Center for Public Finance Research and the Minnesota Taxpayers Association, generates district-specific cost estimates of providing an "adequate education" as defined by the achievement of state standardized test scores and high school graduation rates. The study was presented by Mark Aveman and Lynn Reed of the Minnesota Taxpayers Association.

Reed said the study objectives were to find out what an adequate education costs using commonly available measures to define adequacy, if the state is spending enough to provide an adequate education and if aids are being distributed fairly. The study found that the cost of an adequate education in Minnesota varies significantly across the state's districts, but most districts were spending sufficient amounts to achieve an adequate education as defined in the study. The study also found the state has provided sufficient general education aids to support an adequate education in most, but not all, school districts. In addition, the study found most school districts operate at efficiency levels near the most efficient districts in the state.

The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), also heard several bills relating to fund transfers. All the bills were laid over for possible inclusion in the division's omnibus bill. S.F. 1586, sponsored by Sen. Steve Dille (R-Dassel), authorizes a fund transfer of up to \$200,000 for the Independent School District 2887, McLeod West. S.F. 1599, carried by Sen. Michelle Fischbach (R-Paynesville), authorizes a fund transfer of up to \$150,000 for Independent School District 739, Kimball. S.F. 1938, authored by Sen. Gary Kubly (DFL-Granite Falls), authorizes a fund transfer of up to \$230,000 for Independent School District 2180, M.A.C.C.R.A.Y.

S.F. 2002, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul),

authorizes a fund transfer of up to \$240,000 for Independent School District 916, Northeast Metro. S.F. 2094, authored by Sen. Betsy Wergin (R-Princeton), authorizes a fund transfer of up to \$190,000 for Independent School District 51, Foley. S.F. 2485, carried by Sen. Paul Koering (R-Fort Ripley), authorizes a fund transfer for Independent School District 116, Pillager. S.F. 2574, sponsored by Sen. Dennis Frederickson (R-New Ulm), authorizes fund transfers for Independent School District 836, Butterfield.

### Levy bills heard

The K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Mar. 10, to hear a series of bills relating to a variety of levies. No formal action was taken on the measures.

S.F. 1868, sponsored by Sen. Rod Skoe (DFL-Clearbrook), makes adjustments to the Dept. of Education's treatment of the Fertile-Beltrami tax base when making levy adjustments to make adjustments first between levy categories that are imposed on identical tax bases before making adjustments between levy categories that are imposed on different tax bases. S.F. 2524, carried by Sen. Mark Ourada (R-Buffalo), expands the use of the building lease levy. S.F. 2390, sponsored by Sen. Michelle Fischbach (R-Paynesville), extends the garage lease levy for Independent School District 740, Sartell.

S.F. 1606, carried by Stumpf, authorizes Independent School District 595, East Grand Forks, to exercise remaining levy authority for disability access projects. S.F. 2016, carried by Sen. Steve Dille (DFL-Red Wing), authorizes a levy for Independent School District 256, Red Wing. S.F. 2087, carried by Sen. Don Betzold (DFL-Fridley), authorizes Independent School District 621, Mounds View, to levy an amount up to \$200,000 for the district's share of the costs of building a maintenance facility.

S.F. 1890, authored by Sen. Steve Dille (R-Dassel), authorizes Independent School District 2859, Glencoe-Silver Lake, to levy an amount up to \$81,276 for replacing a gymnasium floor resulting from storm damage and for recovering the cost of a junior high school water service line. S.F. 1891, also carried by Dille, authorizes the same district to recapture

its early childhood family education revenue reduction due to the reserve account limit. S.F. 2024, carried by Stumpf, authorizes the sale of a school facility in Independent School District 2580, East Central, and provides that any remaining outstanding balance on the maximum effort capital loan to former Independent School District 566, Askov, is forgiven.

## State and Local Government Operations

### Merger bill heard

Members of the State and Local Government Operations Committee met Mon., Mar. 8, to consider several technical and housekeeping bills. The committee, chaired by Sen. Linda Higgins (DFL-Mpls.), approved all the measures.

S.F. 2350, sponsored by Sen. Julie Rosen (R-Fairmont), finishes the merger of the Dept. of Economic Security with the Dept. of Employment and Economic Development by making the conforming statutory changes. The measure was advanced to the Jobs, Energy and Community Development Committee. S.F. 2141, authored by Sen. Steve Kelley (DFL-Hopkins), adds members to the Commission on National and Community Service. The bill was forwarded to the Senate floor.

S.F. 2376, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), modifies affirmative action provisions. The bill was approved and sent to the Senate floor.

S.F. 1866, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), ratifies the labor agreement between the state and the American Federation of State County and Municipal Employees and the Minnesota Association of Professional Employees. In addition, the bill ratifies the compensation plans for the Managerial Plan, MNSCU Administrators, the Higher Education Services Office, the Minnesota State University Association of Administrative and Service Faculty and the Minnesota State College Faculty. The measure was approved and sent to the Finance Committee.

### Plethora of bills considered

Members of the State and Local Government Operations Committee met

Wed., Mar. 10, to consider and approve a wide variety of bills.

S.F. 1792, carried by Sen. Thomas Bakk (DFL-Clearbrook), requires state agency contracts to be performed by U.S. citizens or individuals authorized to work in the United States. S.F. 2154, authored by Sen. Gary Kubly (DFL-Granite Falls), requires the Dept. of Administration to monitor state agency compliance with a law mandating the use of E85 fuel in flexible-fuel vehicles owned or leased by the state. The bill also provides for budget sanctions to be levied against agencies failing to comply with the law. Both measures were re-referred to the Finance Committee.

Four bills were recommended for placement on the Consent Calendar. S.F. 2337, carried by Sen. Ellen Anderson (DFL-St. Paul), makes Minnesota Humanities Commission employees eligible for state-paid life insurance and hospital, medical and dental benefits. Sen. Steve Dille (R-Dassel) authored S.F. 1928, which adds two directors to the board of the Minnesota Comprehensive Health Association. S.F. 2386, sponsored by Sen. Scott Dibble (DFL-Mpls.), provides an exception from competitive bidding requirements for 60 percent federally funded transit projects. S.F. 2647, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), authorizes the city of St. Paul to participate in the creation of, and to contract with, a nonprofit organization for management and operation of the RiverCentre complex.

Sen. Linda Higgins (DFL-Mpls.), committee chair, sponsored S.F. 2343, which permits closed meetings to discuss security information. The measure was re-referred to the Judiciary Committee.

Four bills were advanced to the full Senate. Dibble carried two of the bills. S.F. 2573 transfers the duties of the Office of Strategic and Long-Range Planning to the Dept. of Administration, authorizes the department to use forward energy pricing mechanisms to purchase energy for use in state facilities and extends the existence of the Small Business Procurement Advisory Council until 2006. S.F. 2522 authorizes a pilot project under which the State Board of Investment may invest in Minnesota financial institutions rated outstanding under the Federal Community Reinvestment Act. S.F. 2455,

authored by Sen. Steve Murphy (DFL-Red Wing), removes the sunset date on the Propane Education and Research Council. S.F. 2177, also sponsored by Higgins, modifies the method for determining each municipality's affordable and life-cycle housing opportunities amount.

## State Government Budget Division

### Budget recommendations heard

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Mar. 9, to consider the governor's supplemental budget recommendations for FY 04-05.

The panel considered the recommendations for the state's constitutional officers—the governor, attorney general, secretary of state and state auditor—and state agencies. Most agencies' general fund operating budgets are reduced by three percent in FY 2005 under the recommendations. The full recommendations are available online: <http://www.budget.state.mn.us>.

### More recommendations heard

Members of the State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Wed., Mar. 10, to continue their consideration of the governor's supplemental budget recommendations for FY 04-05.

The panel considered the recommendations for the Department of Public Safety. The full recommendations are available online: <http://www.budget.state.mn.us>.

Division members also heard a report from the Office of the Legislative Auditor on the State Lottery. The report is available online from the auditor's office: <http://www.auditor.leg.state.mn.us/ped/2004/pe0401.htm>.

## Taxes

### Budget recommendations heard

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Tues., Mar. 9, to review the February economic forecast and consider the governor's supplemental budget recommendations for FY 04-05.

The forecasted shortfall in the general fund at the end of FY 2005 is \$160

million. The governor recommends targeted program reductions of \$70 million, general operating budget cuts of \$25 million, revenue adjustments of \$50 million and \$77 million in transfers from other funds. The recommendations also include spending initiatives of \$62 million. The full recommendations are available online: <http://www.budget.state.mn.us>.

### Bills considered

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Wed., Mar. 10, to consider several bills for inclusion in the omnibus tax bill.

S.F. 2430, carried by Sen. Mee Moua (DFL-St. Paul), is the Department of Revenue technical bill. One provision in the bill, permitting the department to verify to a county assessor whether an individual who is requesting or receiving a homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available, was re-referred to the Judiciary Committee. The remainder of the bill was approved for inclusion in the omnibus tax bill.

The other bills considered by the committee were placed on the panel's "C" list, composed of measures that may be included if the funds are available. Moua sponsored S.F. 2495, which doubles the dependent care credit if the costs of care are incurred using "quality child care." The bill defines quality child care as care offered by an accredited care provider. Sen. John Marty (DFL-Roseville) carried S.F. 1499. The measure limits the mortgage interest deduction to \$25,000. S.F. 1419, authored by Sen. Gen Olson (R-Minnetrista), allows a credit for contributions to school tuition organizations.

Sen. Gary Kubly (DFL-Granite Falls) carried S.F. 1472, which provides an income tax credit to Minnesota dairy operators who achieve superior herd health, high herd average production and high quality milk. S.F. 2565, sponsored by Sen. Sandra Pappas (DFL-St. Paul), provides an income tax credit for expenditures for historic structure rehabilitation. Sen. Linda Scheid (DFL-Brooklyn Park) carried a bill, S.F. 2171, providing for a subtraction from federal taxable income for expenses related to organ donation.



# Committee update

## Transportation Policy and Budget Division

### Booster seat requirement okayed

The Transportation Policy and Budget Division met Thurs., Mar. 11, to consider a wide variety of bills. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), took action on 13 bills and heard a presentation on highway rest areas.

S.F. 2611, sponsored by Sen. David Knutson (R-Burnsville), prohibits operation of a motor vehicle with a child between the ages of four and eight not properly fastened in a booster seat. Knutson said many parents think that after a child grows out of an infant car seat that normal seat belts are sufficient to protect the child, but small children under the age of nine are usually not large enough to be safely restrained by shoulder/lap belts. Violation of the booster seat requirement subjects the operator to a \$50 fine, according to the bill. Julie Philbrook, HCMC trauma prevention specialist, spoke in support of the measure. Sen. Claire Robling (R-Jordan) suggested implementing an education program, rather than requiring the booster seats. "Parents want to do what is best and protect their children," she said. Knutson countered that that was the same argument used against requiring infant car seats and now everyone agrees the car seats have increased safety significantly. The bill was approved and sent to the full Finance Committee.

S.F. 2178, carried by Sen. Michael Jungbauer (R-East Bethel), prohibiting the closure of municipal airports, was amended to require notice and a public hearing before the closure of a municipal airport. The bill had been heard at a previous meeting and the amendment was drafted to address concerns of various parties. The bill was approved and advanced to the full committee. S.F. 2263, sponsored by Sen. Julianne Ortman (R-Chanhassen), is a technical Dept. of Transportation housekeeping bill relating to highway provisions. The measure was sent to the full Finance Committee. S.F. 1957, carried by Sen. Mee Moua (DFL-St. Paul), allows the Dept. of Public Safety to register a vehicle held for resale by a dealer if the vehicle has a Minnesota

certificate of title. The measure was laid over for inclusion in the division's omnibus bill. S.F. 1904, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), clarifies railroad grade crossing requirements relating to crossing light rail vehicle tracks and specifies criminal offenses that are included with the crime of unlawfully obtaining public transit services to include light rail. The measure was also laid over for inclusion in the omnibus bill.

S.F. 2327, sponsored by Sen. Rod Skoe (DFL-Clearbrook), prohibits the commissioner of transportation from closing any trunk highway or interstate highway safety rest area until July 1, 2005. The measure was laid on the table. The panel also considered S.F. 2557, sponsored by Murphy, making changes in provisions relating to highway rest areas to allow leases to public or private entities and to allow the sale of items at rest areas. The division adopted an amendment, offered by Sen. Mark Ourada (R-Buffalo), establishing criteria for a preferred alternative for a river crossing between Interstate 94 and Trunk Highway 10. The measure was laid over and will become the vehicle for the division's omnibus bill.

Murphy carried an additional five bills. S.F. 2395 provides that a peace officer with a class D driver's license may operate any vehicle or combination of vehicles while on duty. Murphy said the bill is for situations in which a peace officer must move a truck or other vehicle during an emergency situation. The measure was approved. S.F. 2482 provides for development and implementation of ten-ton system of county and county state-aid highways. The measure was laid over for inclusion in the omnibus bill. S.F. 2247 reallocates fees to the motorcycle safety fund and removes the funding cap. The measure was forwarded to the full Finance Committee. S.F. 2144 prohibits provisional license holders from operating a vehicle with more than one passenger under the age of 21, except immediate family members, or between the hours of 12 a.m. and 5 a.m. The measure was approved and sent to the full committee.

Members failed to approve a bill, S.F. 2566, carried by Murphy, defining motorized scooters and regulating their use and operation.

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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Senators and staff queued up in the Great Hall of Capitol, Mon., Mar. 15, to partake of a multitude of culinary offerings during the fourth annual Senate potluck luncheon.  
Photo by David J. Oakes*



March 19, 2004



# Senate Highlights

## Outsourcing bill debated

Members met in floor session Thurs., Mar. 18, to process committee reports and bill introductions. In addition, the Senate had extensive debate on S.F. 1792, a bill requiring state agency contracts for services be performed by U.S. citizens. The bill also provides sanctions against employers who do send work outside the country.

Chief Author Thomas Bakk (DFL-Cook) said at this time, no one knows how much, if any, work contracted by the state has been sent overseas. "At a minimum we should expect state contracts, paid for by Minnesota taxpayers, to be done by citizens of the U.S.," said Bakk. Bakk said we have seen the hemorrhaging of blue collar jobs and we were told to invest in education to train people, but now we are seeing the technical jobs going overseas, too. "We have to make a statement that taxpayers dollars should not be used for services performed overseas," Bakk said.

The second part of the bill provides sanctions against employers who send more than 100 jobs outside the country by specifying the company cannot do business with the state for 7 years. The bill does provides exceptions, Bakk said, for contracts for legal services entered into by the attorney general, for contracts entered into by the State Board of Investment, for contracts relating to the importation of prescription drugs from another country, for a contract for a facility jointly owned by the state and a political subdivision of Canada, for a contract with a business

owned and operated in any country that signed the World Trade Organization Government Procurement Agreement or for a contract determined by the commissioner to be necessary to meet a compelling public interest. Bakk said the measure also requires reporting of job losses.

Sen. Dick Day (R-Owatonna) questioned the need for the bill, "If you don't know what we are doing, how could we enforce this?" Bakk responded that the bill applies to future contracts.

Sen. Betsy Wergin (R-Princeton) offered an amendment to delete the portion of the bill that requires a report of job losses and the portion of the bill providing for sanctions. Wergin said the provisions prevent companies from doing business with the state if they bring jobs back to the state. Bakk argued against the amendment, "We have to send a message, that companies should not come looking for help from the state if they export jobs."

Sen. Steve Kelley (DFL-Hopkins) offered an amendment to the amendment deleting the portion of the bill that prevents the state having contracts with companies under sanction because of job losses in Minnesota. He cited large employers such as Ford and 3M as having routine fluctuations of more than 100 employees that have nothing to do with outsourcing the jobs. "Why would a large employer risk expanding in Minnesota if they face the risk of sanctions if they have to lay off people in the future?" Kelley asked. Sen. Sheila Kiscaden (IP-Rochester) also spoke in support of the amendment, "The bill is hostile to business and does not address the situations in which companies must respond to economic trends," Kiscaden said.

Sen. Ellen Anderson (DFL-St. Paul) spoke against the amendment. Anderson said the bill is about consequences for companies that sends jobs overseas—the amendment allows us to reward companies that send jobs outside the country and I don't think that's good public policy. However, Sen. Linda Scheid (DFL-Brooklyn Park), said she supported the amendments. "What we really need to be doing," she said, "is finding ways to increase good paying jobs in Minnesota."

The Kelley amendment to the amendment was adopted on a voice vote. The Wergin amendment was adopted on a 36-29 roll call vote.

Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment providing more exceptions for the state to have contracts with businesses that have outsourced jobs. The amendment includes availability, quality and price in the list of exceptions. Chaudhary said the bill does not create jobs, investing in education and training is far more beneficial in creating jobs. Sen. Geoff Michel (R-Edina) spoke in support of the amendment. "We cannot change the laws of the global economy," Michel said. Sen. Lawrence Pogemiller (DFL-Mpls.) countered that the bill is an effort to provide good jobs for Minnesotans; all we want is fair share solutions.

However, Bakk said he could see that the bill was not going to pass and moved to lay the bill on the table. The motion was adopted.

## Bills gain final passage

The Senate met for a short floor session Mon., Mar. 15, and granted final passage to several bills on the Calendar and the Consent Calendar.

H.F. 1064, sponsored by Sen. Betsy Wergin (R-Princeton), makes technical and housekeeping changes to laws relating to the Dept. of Employee Relations. S.F. 1748, authored by Sen. Steve Murphy (DFL-Red Wing), modifies provisions relating to emergency medical services. Both measures were granted final passage on the Senate Calendar.

The only bit of debate occurred on a bill establishing the Minnesota False Claims Act. Sen. Julianne Ortman (R-Chanhassen) said the Attorney General's Office has not yet showed why the office must have new powers, when civil and criminal penalties already apply. Sen. Leo Foley (DFL-Coon Rapids) said the measure provides an opportunity for the attorney general to take action, rather than have to go through the U.S. Attorney's Office and federal system. The bill gained final passage on a 34-31 roll call vote.

Several measures were granted final passage on the Consent Calendar. S.F. 1988, authored by Sen. Dennis Frederickson (R-New Ulm), authorizes the conveyance of surplus state land in Redwood County. S.F. 2498, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), provides that ex parte orders for protection and temporary restraining orders are effective upon a referee's signature. S.F.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes



**Several hundred bus drivers and other union members gathered on the front steps of the Capitol, Thurs., Mar. 18, in a show of support for striking Metro Transit workers.**

Photo by David J. Oakes

2065, carried by Sen. Satveer Chaudhary (DFL-Fridley), provides immunity from tort liability for a limited partnership in which a community action agency is a general partner. S.F. 2266, sponsored by Sen. John Marty (DFL-Roseville), clarifies the Dept. of Natural Resources remediation fund expenditures.

Members also paused for a moment of silence for victims of the terrorists bombings in Spain. The Senate also paused for a moment of silence for Marine Private First Class Matthew Milczark.

### Short session held

Senators met briefly Wed., Mar. 17, to process committee reports, facilitate the movement of bills between committees and process bill introductions.

## Omnibus crime bill advanced

The Crime Prevention Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), devoted the Wed., Mar. 17, meeting to assembling the omnibus crime package. S.F. 1863, carried by Foley, contains many of the bills heard by the panel over the course of the session.

Foley said, "The number one goal of this committee is to produce the most effective bill, particularly in regard to sex offenders. I hope this bill would be widely accepted." Foley then went on to outline the provisions of the measure.

The first portion of the bill provides for

mandatory life sentences for repeat sex offenders and makes other sentencing changes. The bill increases the statutory maximum for sex offenses, creates the new crime of sixth-degree criminal sexual conduct and provides for indeterminate sentencing with a lifetime maximum for repeat offenders. The bill also modifies patterned and predatory offender sentencing provisions. Another section of the bill makes changes in the predatory offender registration provisions, community notification provisions and makes some nonsentencing changes. The measure authorizes the use of polygraphic examinations for sex offenders under community supervision, sets forth a registration procedure for homeless predatory offenders, requires community notification for

offenders who move to Minnesota from another state who are subject to registration in that state, requires that all level III predatory offenders be photographed every six months, and authorizes the commissioner of public safety to extend an offender's registration period for five additional years for failure to register a change in residence, employment, school or motor vehicle information.

Foley said another section of the bill, relating to methamphetamine crimes, is a combination of bills sponsored by Sen. Julie Rosen (R-Fairmont), Sen. Satveer Chaudhary (DFL-Fridley) and Sen. Dan Sparks (DFL-Austin). The measure regulates the sale of methamphetamine precursor drugs, increases methamphetamine-related criminal penalties, places property restrictions on methamphetamine laboratory sites, imposes a surcharge on controlled substance offenses and funds a meth lab cleanup revolving loan fund.

The bill also incorporates a number of miscellaneous crime prevention bills. Several provisions clarify DWI laws, provide that the prohibition on bringing controlled substances, weapons or liquor onto correctional facilities or state hospitals also applies to persons found in possession of those items, increase the cap for peace officer reimbursement for bullet-proof vests from \$300 to \$600, expand the definition of promoting prostitution to include sex trafficking, enhance the penalty for identity theft for a crime related to the possession or distribution of child pornography, make it a crime to flee a peace officer by any means, and make changes to the trespass law.

Sen. Linda Berglin (DFL-Mpls.) offered an amendment providing for grants to counties to provide chemical dependency and sex offender treatment to criminal offenders incarcerated at local correctional facilities. The amendment was adopted. Sen. Dave Kleis (R-St. Cloud) offered an amendment consisting of the contents of S.F. 2486. The bill provides a life penalty for most first degree criminal sexual conduct crimes and creates indeterminate sentences and mandatory life sentences for second degree criminal sexual conduct and certain third and fourth degree criminal sexual conduct crimes. The amendment failed on a 5-5 roll call vote. The bill was approved and advanced to the Finance Committee on 10-0 roll call vote.



# Committee update

## Agriculture, Veterans and Gaming

### Lawful gaming changes approved

Several measures dealing with lawful gaming topped the agenda for the Mon., Mar. 15, meeting of the Agriculture, Veterans and Gaming Committee. The panel, chaired by Sen. Jim Vickerman (DFL-Tracy), approved the bills for inclusion in the committee's omnibus bill.

S.F. 1583, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), and S.F. 1796, sponsored by Sen. Dennis Frederickson (R-New Ulm), both had a similar goal. Members adopted an amendment to S.F. 1796 permitting licensed veterans organizations to use gross profits from lawful gambling to send up to two World War II veterans per local organization to Washington D.C., for the dedication events of the National World War II Memorial this May. S.F. 1796 was approved and laid over for inclusion in an omnibus bill.

S.F. 2435, authored by Vickerman, makes a number of changes to lawful gambling provisions. The measure also includes the language from S.F. 1796. The bill was approved and advanced to the Senate floor.

The committee also approved a bill, S.F. 1766, relating to ethanol producer disclosure. The measure, sponsored by Vickerman, specifies that annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments must file a disclosure statement on a form provided by the commissioner. The bill also specifies that the initial disclosure must include a summary description of the organization of the business structure, a listing of the percentages of ownership by any person or entity with an ownership interest of five percent or more and a copy of its annual audited financial statements, including the auditor's report and footnotes. Under the bill, the disclosure statement must include information demonstrating what percentage of the entity receiving payments is owned by farmers eligible to farm or own Minnesota agricultural land. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more. The bill also provides that no later than 60 days after the bill becomes law, the commissioner must pay any producer denied payment for failure to meet the

ownership and reporting requirement imposed last year, the amount to which the producer would have been entitled. The bill was approved and laid over for inclusion in an omnibus bill.

A bill modifying the interest rates and priority for the agricultural shared savings loan program also gained the panel's approval. S.F. 2645, sponsored by Sen. Steve Murphy (DFL-Red Wing), specifies that for loans made between May 1, 2004, and June 30, 2007, the commissioner must give priority to loans to resident farmers beginning or expanding organic farming operations. Murphy said organic farming is one of the fastest growing types of farming in the state. The bill was approved and advanced to the Senate floor.

### Omnibus bill approved

Members of the Agriculture, Veterans and Gaming Committee met Wed., Mar. 17, to assemble an omnibus agriculture bill. S.F. 2428, sponsored by Committee Chair Jim Vickerman (DFL-Tracy), providing for the validity of electronic documents and signatures, was designated the vehicle for all the agriculture bills. The measure was amended to include a variety of other bills heard in the meeting.

S.F. 1691, authored by Sen. Steve Dille (R-Dassel), authorizes temporary and specialty faculty licenses for veterinarians who practice at the University of Minnesota Veterinary Medical Center. S.F. 2481, also sponsored by Dille, modifies provisions relating to county and regional fairs. S.F. 2731, carried by Vickerman, changes the amount of grain buyers bonds. The measure specifies the increase applies to grain buyers whose gross annual purchases are more than \$3 million. S.F. 2741, also carried by Vickerman, makes changes to farm trust and corporate farm law. Members also adopted amendments offered by Sen. Becky Lourey (DFL-Kerrick) and Sen. David Hann (R-Eden Prairie). The Lourey amendment modifies the requirement for public meetings held by the Metropolitan Mosquito Control District for notification purposes. The Hann amendment makes changes to Rural Finance Authority loan programs to expand the availability of loans for agriculture. Members also adopted an amendment, offered by Dille, providing encouragement for farmers to earn a fair living from farming. The omnibus bill, S.F. 2428, was approved and sent to the Senate floor.

Members also approved a bill, S.F. 2145, appropriating \$23 million for conservation easements under the CREP program. The measure, sponsored by Sen. Rod Skoe (DFL-Clearbrook), provides that preventing flood damage be included among the purposes of keeping marginal agricultural land out of crop production. In addition, the bill clarifies that conservation easement may permit cutting hay and control of noxious weeds. The measure was approved and re-referred to the Environment and Natural Resources Committee.

S.F. 2866, also carried by Skoe, limits nuisance claims against certain agricultural operations. The measure was approved and advanced to the Judiciary Committee.

A bill, S.F. 2756, clarifying the basis on which food can be labeled as kosher, was also approved and advanced to the Judiciary Committee. The bill, sponsored by Sen. Richard Cohen (DFL-St. Paul), changes the term "orthodox Hebrew" to "Jewish" in the statutes dealing with the requirements for labeling food kosher.

Finally, members also approved a bill, S.F. 2626, providing that the commissioner of administration may, upon the request of the Minnesota Veterans Homes Board, enter into a ground lease of state-owned property on the campus of the Minnesota Veterans Home-Hastings. The measure, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), was recommended for placement on the Consent Calendar.

## Commerce

### Omnibus liquor bill heard

The Commerce Subcommittee on Liquor met Fri., Mar. 12, to begin assembling the panel's omnibus liquor bill.

The hearing began with consideration of a bill, S.F. 2209, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), that establishes a tiered fee structure for small brewers. The measure also allows a brewer who manufactures fewer than 3,500 barrels of malt liquor to be issued an on-sale intoxicating liquor or 3.2 malt liquor license for a restaurant operated on the premises. Finally, the measure authorizes a municipality to issue a temporary on-sale license to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year. Sen. David Gaither (R-Plymouth) offered an amendment deleting the provision that allows a

brewer who manufactures fewer than 3,500 barrels of malt liquor to be issued an on-sale license for a restaurant operated on the site. The amendment also provides that a brewer may provide samples of its own products on its premises to persons touring the brewery in a quantity of less than 100 milliliters of malt liquor per variety per person. The amendment was divided, but both portions were adopted. The tiered fee structure, though, was determined to have a revenue impact. Members adopted a fee structure contained in S.F. 2338. The bill, sponsored by Subcommittee Chair Sandra Pappas (DFL-St. Paul), provides for conformity in license fees and production levels for brewpubs and small brewers and is revenue neutral.

S.F. 2696, also sponsored by Pappas, clarifies the restriction on the location of retail licenses in proximity to corrections institutions by specifying the restriction does not include county jails. Members also adopted an amendment authorizing the city of Minneapolis to issue an intoxicating liquor license to an establishment located at 2200 Como Ave. SE, which currently holds an on-sale wine license. Pappas said the measure will serve as the vehicle for the omnibus bill. The panel amended the contents of S.F. 2209

onto S.F. 2696. The measure was approved and advanced to the full committee.

Members also approved a bill authorizing the city of St. Paul to issue a wine and malt liquor license for special events at the State Capitol. Chief Author Cal Larson (R-Fergus Falls) said the measure, S.F. 2749, is needed for activities planned in conjunction with the centennial anniversary of the Capitol Building. The measure was approved and advanced to the full committee.

### **Tractor clock tampering ban approved**

Members of the Commerce Committee, meeting Mon., Mar. 15, approved a bill prohibiting tampering with clock-hour meters on tractors. S.F. 1847, sponsored by Sen. Gary Kubly (DFL-Granite Falls), was advanced to the Crime Prevention Committee.

The bill also prohibits the sale or use of devices that cause the clock-hour meter to register false hours of operation and prohibits the sale of tractors with altered mileage unless that fact is disclosed.

The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), also approved two other measures. S.F. 2650,

carried by Sen. Dan Sparks (DFL-Austin), requires debt collection agency employees to register with the Department of Commerce. Current law requires both agencies and their employees to be licensed. The bill maintains the licensure requirement for collection agencies. S.F. 2620, authored by Sen. Dallas Sams (DFL-Staples), makes minor technical changes to provisions requiring a notice if a standard fire insurance policy is declined. Both bills were sent to the full Senate.

Committee members also considered, but took no action on, S.F. 2653. Sponsored by Sen. John Marty (DFL-Roseville), the bill amends retaliatory provisions in insurance law. The measure increases the fines imposed by Minnesota on insurance companies of another state or nation doing business in Minnesota to match the fines, imposed by the home state of the company, on Minnesota insurers doing business in that state.

### **MCHA changes gain**

A bill making changes to the state's high risk insurance pool was approved by members of the Commerce Committee, Wed., Mar. 17. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), sent the bill to the State and Local Government Operations Committee.

S.F. 2613, carried by Sen. Sheila Kiscaden (IP-Rochester), guarantees that certain Minnesota Comprehensive Health Association (MCHA) enrollees will be issued health plans in the individual market, raises the premium range for MCHA plans to between 115 percent and 135 percent of market rate, changes the membership of the MCHA board to include an actuary and employer representatives and authorizes MCHA to provide incentives to enrollees for their participation in chronic disease management programs. The bill also removes a requirement that MCHA offer a Medicare supplement plan, requires terminated employees to have had an income of less than 250 percent of poverty to be eligible for MCHA coverage, makes persons eligible for employer-provided dependant coverage ineligible for MCHA coverage and requires an analysis of the eligibility standards used for enrollment.

Representatives of several business groups, including the Minnesota Business Partnership and the National Federation of Independent Business, spoke in support



*Senators Linda Berglin (DFL-Mpls.), left, and Ann Rest (DFL-New Hope) pore over the fine points of a bill during a recent floor session.*

Photo by David J. Oakes



# Committee update



**Senators Satveer Chaudhary (DFL-Fridley), left, and Mike McGinn (R-Eagan) inspect bullet proof vests during a Crime Prevention and Public Safety Committee meeting, as a bill was being considered, Mon., Mar. 15, that raises the amount of reimbursement to peace officers for the purchase of modern, soft body armor or bullet proof vests.** Photo by David J. Oakes

of the bill. MCHA is an important safety net in our system, said Carolyn Jones of the Minnesota Chamber of Commerce. The real problem with MCHA, she said, is that only 30 percent of the insurance market pays for the program. The ever-growing assessment is spread over a contracting base, Jones said. Bob Johnson said the Insurance Federation of Minnesota supports the bill but has concerns about the guaranteed coverage in the individual market. He said the provision essentially requires insurers specializing in small group coverage to enter a market, individual coverage, they have not chosen to enter. Johnson also raised concerns about how the provision would be administrated. Kiscaden said she did not intend to force small group insurers into the individual market. The provision is intended to allow people who can leave MCHA to do so with the knowledge that they can get coverage, she said. Kiscaden pledged to work with the federation on improving the language.

Committee members approved two other bills. S.F. 2134, authored by Sen. Ann Rest (DFL-New Hope), makes mostly technical changes to laws govern-

ing multiple employer welfare arrangements. The committee adopted an amendment incorporating the provisions of S.F. 1651, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), into S.F. 2134. The combined bill does contain one policy change, Solon said, changing the threshold for joint plans from 1,000 employees to 1,000 enrollees. The change permits spouses and dependants to count toward the threshold. Solon said the change is helpful to joint self-insured group pools in Greater Minnesota. S.F. 2134 was sent to the full Senate.

S.F. 2265, sponsored by Sen. Dan Sparks (DFL-Austin), provides that an industrial loan and thrift company may not accept deposits if its owner is not permitted to own a federal savings association. The bill is a fairness measure, said Joe Witt of the Minnesota Bankers Association, because a similar prohibition exists for federally chartered industrial loan and thrift companies. The bill was sent to the Senate floor.

In other action, a motion to approve S.F. 1408 was defeated, on a tie, on a divided vote. The bill, carried by Sen. Geoff Michel (R-Edina), modifies

provisions relating to binding arbitration in no-fault auto insurance personal injury cases. Michel said the bill draws a bright line at \$10,000 for the eligibility limit for arbitration. The measure also clarifies that either party has the right to demand arbitration, he said, and prohibits the practice of balance billing by health care providers. Johnson said the bill provides much needed reforms to current problems and protects consumers. Joel Carlson, Minnesota Trial Lawyers Association, said the bill will add over 6,000 cases to the judicial caseload each year and raises issues of access to health care by prohibiting balance billing.

## Crime Prevention and Public Safety

### Bill expanding seat belt law heard

A bill making violation of the seat belt law a primary offense was heard at the Mon., Mar. 15, meeting of the Crime Prevention and Public Safety Committee. S.F. 2550, sponsored by Sen. Steve Murphy (DFL-Red Wing), also requires all passengers to wear a seat belt and

imposes a petty misdemeanor penalty. In addition, the measure dedicates a portion of fine revenues to be deposited to the county treasurer for use in detoxification services. The bill was approved and advanced to the Finance Committee.

The committee, chaired by Sen. Leo Foley, also approved a measure increasing the penalty for the crime of interference with privacy. S.F. 1888 provides that for first offenses, the penalty is increased from a misdemeanor to a gross misdemeanor. The bill, sponsored by Sen. Paul Koering (R-Camp Ripley), further specifies that a person is guilty of a felony if the person violates the law after a previous conviction for the same offense or violates the law against a minor under the age of 18. The bill was approved for inclusion in the committee's omnibus bill.

Several other measures were laid over for inclusion in the omnibus bill. S.F. 1661, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), prohibits nonvehicular flight from a peace officer for the purpose of avoiding arrest, detention or investigation, or in order to conceal or destroy evidence. The measure specifies a misdemeanor penalty. S.F. 2084, carried by Murphy, provides for increased reimbursement to peace officers for bullet-resistant vests. The measure also provides that the amount for reimbursement be adjusted according to the annual percentage change in the Consumer Price Index.

S.F. 2245, sponsored by Sen. Sandra Pappas (DFL-St. Paul), specifically includes conduct involving sex trafficking in the crime of promoting prostitution. In addition, the measure modifies the distribution formula for prostitution and sex trafficking-related forfeiture proceeds. Under the bill, 40 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund for use in law enforcement, 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture and the remaining 40 percent must be forwarded to the Dept. of Public Safety for distribution to crime victims services organizations that provide services to victims of prostitution or sex trafficking.

S.F. 1630, authored by Sen. Dave Kleis (R-St. Cloud), expands the trespass law to include returning to the property of another at any time after being told to

leave the property and not to return. Current law specifies that a person may not return within 30 days. In addition, the bill provides that it is a misdemeanor for a person to enter or be found on school property at any time after being told by the school principal or the principal's designee to leave the property and not return. The measure was amended to include presence on the roof of a school as trespass.

S.F. 1892, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), increases the penalty for identity theft involving the possession or distribution of child pornography by providing a 20 year felony penalty. The bill also requires a person convicted of violating the law to pay restitution of at least \$1,000 to each direct victim and specifies that the court provide victims with a certified copy of the complaint, the judgment of conviction and an order setting forth the facts of the offense. S.F. 2215, carried by Foley, provides that when a person is arrested for driving while impaired, the arresting officer invalidate and return the person's driver's license card for use as an identification card during the period of license suspension. S.F. 1945, also carried by Foley, clarifies the DWI plate impoundment law.

Members also advanced a bill, S.F. 2211, enhancing the penalties for the possession, importation, purchase, propagation, transportation and introduction of prohibited invasive plant and animal species. The bill, sponsored by Skoglund, was advanced to the State and Local Government Operations Committee.

## Early Childhood Policy and Budget Division

### Childcare assistance bill heard

A bill modifying a number of provisions relating to the child care assistance program was heard at the Tues., Mar. 16, meeting of the Early Childhood Policy and Budget Division. The panel, chaired by Sen. John Hottinger (DFL-St. Paul), also heard two additional bills.

Hottinger said cuts last year of \$86 million to the child care assistance program and a series of policy changes made it difficult for eligible families to participate. The bill, S.F. 2496, which he authored, clarifies that previous receipt of

child care assistance is not required to be eligible for transition year child care. Hottinger said another portion of the bill requires that families in the statutory priority must be the last families terminated from the basic sliding fee program if there is a reduction in funds. The measure also allows families to remain on the basic sliding fee program until family income reaches 250 percent of the federal poverty guideline. The bill also creates a sliding-fee co-pay scale that ranges between 2 and 13 percent of gross income.

Members also reviewed the early childhood and family education portions of S.F. 2638. The measure, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), amends education budget provisions. S.F. 2878, sponsored by Hottinger, establishes a school readiness kindergarten assessment initiative and appropriates \$300,000 for the initiative.

No formal action was taken on any of the bills. Members did hear extensive testimony on all three measures.

## Financing discussed

The Early Childhood Policy and Budget Division, chaired by Sen. John Hottinger (DFL-St. Peter) met Thurs., Mar. 18, to discuss two bills. S.F. 2732, carried by Sen. Richard Cohen (DFL-St. Paul), makes adjustments in the funding for prekindergarten through grade 12 education. S.F. 2502, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), makes four-year old students eligible for extended time programs.

## Education

### NCLB responses advance

Two bills responding to federal education requirements gained the approval of the Education Committee when the panel met Tues., Mar. 16.

S.F. 1853, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), is a resolution requesting Congress provide states with more flexibility in implementing the No Child Left Behind Act (NCLB). S.F. 1921, authored by Sen. Michele Bachmann (R-Stillwater), requires the Legislature to affirm the state's implementation of NCLB by June 1, 2004. If the Legislature does not affirm implementation of the federal law, under the bill, the Dept. of Education is prevented from implementing the require-



# Committee update



**Senators Don Betzold (DFL-Fridley), far left, and Gen Olson (R-Minnetrista), far right, discuss the committee's agenda during a recent Environment and Natural Resources Committee hearing.**

Photo by David J. Oakes

ments and any contracts required to implement NCLB are voided.

Jan Alswager, Education Minnesota, said NCLB wastes precious state resources by increasing bureaucracy, adding more standardized tests and creating additional paperwork for educators. What students need, she said, is more individualized attention, not a law taking power out of the hands of parents, educators and local officials.

S.F. 1853 was sent to the Senate floor. S.F. 1921 was re-referred to the Finance Committee, where it was requested for a review of the net financial impact of failing to implement the federal law.

In other action, committee members, led by Sen. Steve Kelley (DFL-Hopkins), considered a bill replacing the Minnesota Comprehensive Assessments (MCA) with another standardized test. S.F. 2886, carried by Sen. Sharon Marko (DFL-Cottage Grove), replaces the MCA tests with the Measures of Academic Progress (MAP) system developed by the Northwest Evaluation Association (NWEA), an Oregon-based company. Gage Kingsbury, director of research for NWEA, said the MAP system has been customized to meet the content standards of 48 states, including Minnesota. MAP tests are computer adaptive, or dynamic, so that questions get harder as a student does well, or get easier as a student does poorly, he said. Kingsbury said each test includes a pool of between 1,000 to 2,000 ques-

tions, but any one student will see about 50 questions. We cannot legislate parental involvement in a child's education, Marko said, but we can provide parents with tools to make involvement easier. The MAP tests are such a tool, she said. Charlie Kyte, Minnesota Association of School Administrators, spoke in support of the bill. He acknowledged possible challenges in complying with NCLB if Minnesota adopts the MAP tests and the general difficulties of "changing testing horses midstream." Mahtomedi Superintendent Mark Wolak said the MAP tests help teachers assist students. These tests are a lever for positive change, he said. S.F. 2886 was laid over for possible inclusion in an omnibus education policy bill.

## Standards discussed

School districts planning new classroom construction or renovation would be required to follow the American National Standard Institute's guidelines for classroom acoustics, according to a bill presented to the Education Committee at its Thurs., Mar. 18, meeting.

The author of the measure, Sen. Charles "Chuck" Wiger (DFL-North St. Paul), said that, "It's important within the learning environment for all students to hear. If a student is unable to hear in the classroom, they are at a disadvantage."

The bill, S.F. 2296, was laid on the table for later consideration as part of the omnibus education policy bill.

The committee also delayed action on a bill requiring school districts that charge transportation fees to ensure no pupil is denied transportation due to the inability to pay. The measure, S.F. 2107, sponsored by Sen. David Hann (R-Eden Prairie), also limits any increase in transportation fees to the actual increased costs of providing the transportation service.

In other action Thursday, the committee afforded the public the opportunity to comment on the proposed science and social studies standards. As a result of the federal No Child Left Behind Act, states must develop performance standards for schools and students to achieve. Last year, the Legislature approved standards for language arts, reading and mathematics. Science and Social Studies standards have yet to be approved.

One concern raised by teachers and education officials is the volume of standards in all learning areas that are being proposed. Tom Tapper, superintendent from the Marshall Schools, said, "We are concerned that there will not be the opportunity to do it."

Sen. Steve Kelley (DFL-Hopkins), chair of the committee, said that the committee has posted on their web page three alternatives to the proposed Social Studies Standards issued by the Minnesota Dept. of Education. He explained that in addition to acting on the science standards, they will take action next week on one of the three social studies standard alternatives or the department's proposal.

## Elections

### Campaign violation enforcement bill approved

A bill providing for enforcement of campaign violations was approved at the Fri., Mar. 12, meeting of the Elections Committee. S.F. 1907, sponsored by Sen. Linda Higgins (DFL-Mpls.), expands the membership and staff of the Campaign Finance and Public Disclosure Board, creates an administrative remedy for violations of fair campaign practices in state and local elections and repeals the requirement that county attorneys investigate violations of campaign laws.

Susan Gaertner, Ramsey County attorney, said county attorneys were frustrated by complaints about campaign

violations and their ability to enforce the law. Gaertner said a group studying the matter came to the conclusion that the criminal courts may not be the best place to resolve disputes. She said the group had several goals—to find a way to bring about a quick resolution of complaints, to protect candidates from frivolous complaints and to provide for referral of the most serious offenses to county attorneys. Gaertner said the bill is the result of the work of the county attorneys' group. She said, the county attorneys believe the bill strengthens campaign laws by providing for quick resolution and maintaining a balance.

Jeanne Olson, executive director, Campaign Finance and Public Disclosure Board, said the bill's expansion of staff would require the board to move and would have other cost implications.

Sen. John Marty (DFL-Roseville) offered an amendment specifying that the three new members of the board called for in the bill must be retired judges. The amendment failed.

The bill was advanced to the Finance Committee.

In other action, the committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), approved three additional bills. S.F. 2300, sponsored by Sen. Geoff Michel (R-Edina), adjusts the boundary between House Districts 41A and 41B to correct an error. The bill was recommended for placement on the Consent Calendar. H.F. 307, carried by Sen. David Hann (R-Eden Prairie), provides an exemption for noncommercial signs from ordinances that limit the number of noncommercial signs. The measure was also recommended for placement on the Consent Calendar.

A bill providing for a constitutional amendment to lower the voting age from 18 to 17 years of age also gained the panel's approval. S.F. 1820, sponsored by Sen. Steve Kelley (DFL-Hopkins), was referred to the Rules and Administration Committee.

The panel failed to approval a bill coordinating the size of legislative and congressional districts. S.F. 303, authored by Sen. Pat Pariseau (R-Farmington), also specifies that each Senate must be composed of a number of Senators evenly divisible by the number of representatives in Congress apportioned to the state. Former Rep. Walter Klaus spoke in support of the bill. He said the size of the

Legislature would be reduced with the current number of congressional representatives. Klaus said he has been working on the concept for a number of years in order to avoid having multiple congressional districts intersect in a Senate district. However, members suggested the bill might have a harmful impact on rural districts.

## Environment and Natural Resources

### OHV proposals heard

In order to hear the multitude of bills modifying the restrictions on off-highway vehicles enacted last year, members of the Environment and Natural Resources Committee met twice, Mon., Mar. 15.

Committee members, chaired by Sen. John Marty (DFL-Roseville), first heard from Karl Hadrits. Hadrits, a conservation officer in the Crosby area, related his experience citing off-road vehicle drivers for breaking laws and causing damage to wetlands on the opening day of the 2003 duck hunting season. He said he caught the same group twice in a 24-hour period. Of the four drivers who were charged, Hadrits said, two have pled guilty and been sentenced to 30 days in jail and \$800 fines. Additionally, he said, the two individuals will each pay the Dept. of Natural Resources (DNR) \$1,200 in civil restitution.

The panel then considered several measures relating specifically to off-highway vehicle (OHV) use in wetlands. S.F. 2793, carried by Sen. Dennis Frederickson (R-New Ulm), provides for a study of wetlands in the state, including their ownership, location and proximity to roads and the effects of driving OHVs in wetlands. S.F. 1673, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), removes restrictions on OHV use on wetlands in private lands, removes restrictions on the use of OHVs on frozen wetlands and removes restrictions on OHV use on type 8 wetlands. In addition to the provisions in S.F. 1673, S.F. 1775, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), prohibits OHV use in calcareous fens and exempts OHVs used for farming, public safety, commercial or governmental uses from restrictions. Marty carried a bill, S.F. 2736, removing restrictions for wetlands on private lands that are not public waters, removing

restrictions on frozen wetlands and privately-owned type 8 wetlands and providing an exemption for commercial, governmental, farming or public safety OHVs. The measure also provides an exemption for OHV use in wetlands for access to privately owned land and in type 8 wetlands when engaged in hunting and trapping activities. S.F. 1711, authored by Sen. Paul Koering (R-Fort Ripley), removes restrictions for wetlands on private lands and exempts OHV use for accessing hunting locations and retrieving and transporting game. S.F. 2367, carried by Sen. Carrie Ruud (R-Breezy Point), exempts OHVs used by utilities from OHV laws.

Darrell Spencer, an officer of the Izaak Walton League in Duluth, said the hunter and trapper exemption should be discontinued. People engaged in the taking of game can stay on trails, he said. Susan Solterman, Audubon Minnesota, said many of the proposals contain too many exceptions or exemptions. Wetlands are fragile ecosystems, she said, and we should seek to avoid having an impact on them, limit activity in wetlands and restore or replace damaged wetlands. Dan Larson, Minnesota Four Wheel Drive Association, said the focus should be on education, enforcement and adequate trails. Riders do not have enough trails, he said, and that is causing the problems across the state. Other riders also addressed the committee, stressing the need for more trails in all areas of the state.

Committee members also reviewed several OHV proposals not pertaining to wetlands. S.F. 2665, authored by Sen. Scott Dibble (DFL-Mpls.), requires the DNR to prepare a budget for trail designation, provides for increased oversight of grant-in-aid recipients, permits funds in the OHV damage account to be used for driveway repair and requires a study of the allocation of the gas tax. S.F. 2761, carried by Ruud, specifies the penalties imposed on grant-in-aid recipients for violating federal, state or local laws. Under the bill, the penalty for a second violation is a one-year suspension of funds, and for a third violation, the permanent ineligibility of the recipient for future funds. S.F. 1776, which contained wetland provisions, also provides a rulemaking exemption for OHV trail designation in state forests, modifies youth training requirements for all-terrain vehicles and permits ATVs on minimum-



# Committee update

maintenance roads. S.F. 2831, carried by Marty, limits the modifications an OHV-owner can make to the air intake system of the vehicle and bans extreme traction tires.

Members heard from members of the public on the various proposals, but took no action on the vehicle bill, S.F. 2793.

## Bills gain

Members of the Environment and Natural Resources Committee met Wed., Mar. 17, to consider a variety of bills.

Three bills were approved and advanced to the Senate floor. S.F. 2164, carried by Sen. Jim Vickerman (DFL-Tracy), modifies state park fee payment and deposit requirements. S.F. 2726, sponsored by Committee Chair John Marty (DFL-Roseville), extends the expiration dates of the Environmental Education Advisory Board and the Solid Waste Management and Prevention, Reduction and Recycling Advisory Councils under the Office of Environmental Assistance. A bill, S.F. 2848, reestablishing the Aitkin Drainage and Conservancy District to maintain the Mississippi River diversion channel was sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids).

In addition, three measures were referred to the Finance Committee. Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 2319, which requires the Pollution Control Agency to monitor and evaluate existing public and private wells for pollutants in areas permitting the application on agricultural land of sewage sludge from permitted wastewater treatment works. S.F. 2580, carried by Sen. Ellen Anderson (DFL-St. Paul), requires the Dept. of Commerce to develop a plan to reduce greenhouse gas emissions. S.F. 2250, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides \$50,000 annually for evaluation of construction aggregate located on state trust lands.

S.F. 2763, carried by Sen. Dennis Frederickson (R-New Ulm), provides for the issuance of pipeline routing permits by the Environmental Quality Board. The bill was approved and advanced to the Judiciary Committee. Two bills were referred to the State and Local Government Operations Committee. S.F. 2472, authored by Frederickson, modifies the responsibilities of the Dept. of Natural Resources. S.F. 2210, carried by Sen. Thomas Bakk (DFL-Cook), modifies the department's enforcement powers.

## OHV restrictions gain

Members of the Environment and Natural Resources Committee resumed their consideration of off-highway vehicle restrictions, Fri., Mar. 19. The panel, chaired by Sen. John Marty (DFL-Roseville), approved S.F. 2793 and referred the measure to the Finance Committee.

Marty said an informal discussion held after the previous meeting devoted to off-highway vehicles (OHVs) resulted in a document that represented progress, but not an agreement. Sen. Dennis Frederickson (R-New Ulm), chief author of S.F. 2793, offered the document as a delete-everything amendment. The amendment prohibits OHV riding in calcareous fens, prohibits air intake pipes that are more than six inches above the manufacturers original air intake pipe and permits OHV riding on frozen type 8 wetlands. The amendment also provides for the repair of damaged driveways from the OHV damage account, provides for a grant program to train volunteers who monitor OHV activity, permits OHV instructors to charge \$5 for class material, permits OHV riders to carry a passenger in certain situations, grants hunters exemptions from OHV restrictions, permits counties to allow OHV riding on minimum maintenance roads, creates specific penalties for violations by grant-in-aid recipients and provides for studies of the impact of OHV riding on wetlands and the allocation of gas tax receipts.

Sen. Tom Saxhaug (DFL-Grand Rapids) moved to delete the provision providing for the repair of damaged driveways. Money in the OHV damage account should be used to fix the most egregious damage, he said. Sen. Sean Nienow (R-Cambridge) said counties have been authorized to prohibit OHV riding in ditches. Landowners whose driveways are being affected by permitted OHV riding should be addressing the issue with local officials, he said. The Saxhaug amendment was adopted. Members then adopted the delete-everything amendment.

Frederickson offered an amendment essentially removing the state from any responsibility to provide trails for off-road vehicles (ORVs). The amendment limits ORVs to nonpublic roads, cross-country travel or designated recreation areas, and reduces ORV fees by two-thirds. Matt Norton, Minnesota Center for Environ-

mental Advocacy, said there is not enough rock or soil support in Minnesota to support the multi-ton trucks classified as ORVs. Dan Larson, Four Wheel Drive Association, said riders have worked in good faith to build a system of trails. ORV riding is a growing activity, he said. Limiting ORVs to forest roads does not provide the varied riding experience sought by riders, he said. Frederickson said the goal of an exclusive ORV trail system may not be attainable. ORV money could be used to develop the Gilbert recreational area more or to create new areas, he said. The amendment was defeated.

Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment deleting provisions relating to grant-in-aid trails. One provision creates specific penalties for repeated violations by grant-in-aid recipients. The other requires the Dept. of Natural Resources to adopt rules increasing its oversight of grant-in-aid recipients. The system is based on volunteers, Stumpf said, and the provisions discourage people from volunteering. Ray Bohn, ATV Association, said the rulemaking requirement will delay trail development by two years. Stumpf withdrew his amendment so that Frederickson could offer an amendment changing the requirement to adopt rules to a requirement to adopt procedures and criteria. The Frederickson amendment was adopted. Stumpf then offered an amendment deleting the provision relating to penalties. The amendment was adopted. Members also adopted an amendment, offered by Stumpf, requiring 70 miles of ATV trails in consolidated conservation lands. The amendment specifies that the trail miles cannot include roads open to the public.

## Environment, Agriculture and Economic Development Budget Division

### Appropriation bills heard

Members of the Environment, Agriculture and Economic Budget Division met Tues., Mar. 16, to consider a variety of bills requiring appropriations. The division, chaired by Sen. Dallas Sams (DFL-Staples), laid all the bills over for possible inclusion in the division's omnibus bill.

S.F. 1473, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides for a dairy stabilization loan program. Under the bill, dairy farmers may get no-interest



**Sara Oldakowski, left, of rural Morrison County, describes how her life has been impacted by the discovery that her stepfather had spent years engaging in video voyeurism. Sen. Paul Koering (R-Fort Ripley), center, presented a bill to members of the Crime Prevention and Public Safety Committee, Mon., Mar. 15, that strengthens penalties for the invasion of privacy. Also present, at far right, to speak in support of the bill was Sara's mother, Terri Simms.**

Photo by David J. Oakes

loans to purchase up to six additional mature dairy cows. The measure specifies that the loans may not exceed \$6,000. S.F. 2198, authored by Sams, establishes a facilities management account. The bill specifies that the commissioner of natural resources may bill organizational units within the department for the costs of providing them with building and infrastructure facilities.

S.F. 2630, also carried by Sams, appropriates \$150,000 to the Board of Water and Soil Resources to develop and implement a pilot program for the delivery of technical and financial assistance to counties that choose to establish and maintain an environmental protection framework designed to protect surface and groundwater, enhance critical wildlife habitat and consider social sensitivity criteria relative to the establishment or expansion of livestock feedlots. S.F. 2271, sponsored by Sen. Julie Rosen (R-Fairmont), appropriates \$100,000 for a grant to Minnesota Project

Innovation to provide assistance to Minnesota businesses in obtaining federal contracts.

S.F. 2396, carried by Sen. Scott Dibble (DFL-Mpls.), appropriates \$311,000 to fund grants to programs that provide employment support services to persons with mental illness. Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored two bills. S.F. 2410 appropriates \$4.333 million to the Minnesota Historical Society to restore the cut made in 2003.

Members also advanced two bills to the full Finance Committee. S.F. 1801, sponsored by Sen. Ann Rest (DFL-New Hope), provides for the designation of an international economic development zone and provides tax incentives. S.F. 1974, carried by Sen. Jim Vickerman (DFL-Tracy), extends the availability of appropriations from the Minnesota future resources fund for a variety of projects.

Members also heard a presentation on Buffalo Lake Ethanol Plant revenue bonds.

## Finance

### Commissioner approved

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Tues., Mar. 16, to hear a presentation on the February budget forecast and to consider the appointment of Peggy Ingison as commissioner of finance. In addition, the panel considered two bills.

The committee approved the appointment of Ingison as commissioner of finance. Ingison, who had served as state budget director, was appointed to replace Dan McElroy, who was named the governor's chief of staff.

The panel also heard a bill restricting the ability of companies that have contracts with the state from subcontracting the work overseas. S.F. 1792, sponsored by Sen. Thomas Bakk (DFL-Cook), requires that state agency contracts for services be performed by United States citizens or by individuals authorized to



# Committee update

work in the United States. The bill does not apply to a contract for legal services entered into by the attorney general, a contract entered into by the State Board of Investment or a contract relating to the importation of prescription drugs from another country. The measure also requires employers who have reduced the number of Minnesota jobs by more than 100 employees during the year to report to the commissioner. Further, the measure prohibits employers that have a net loss of 100 or more jobs caused by outsourcing the jobs overseas from providing goods and services under contract with the state for seven years. Bakk said no one knows how many jobs have been sent overseas and it is important to gain information about the issue. Tom Hesse, Minnesota Chamber of Commerce, and Kent Allin, Dept. of Administration, both expressed concerns with provisions in the bill.

The measure was amended and approved at a brief hearing Wed., March 17. The bill was forwarded to the full Senate.

A bill clarifying the division of proceeds of sale of state bond financed property was also approved and sent to the full Senate. S.F. 2097, sponsored by Sen. Jane Ranum (DFL-Mpls.), specifies that if property is financed or bettered by state bond proceeds and then sold, the calculation of the share contribution by each entity of the value of the property is its fair market value at the time the betterment began. The bill was re-referred to the Capital Investment Committee.

In other action, Tom Stinson, state economist, summarized the budget forecast and said at this time there is a \$160 million shortfall. Stinson added that the shortfall is \$25 million less than the shortfall shown by the November forecast. He also said the forecast of economic growth differs little from the forecast of one year ago. Stinson also spoke on the effects of the U.S. economy on Minnesota's economy. Ingison also spoke on the budget reserve and trends in state spending. Ingison said the forecast projects a \$460 million shortfall for the FY 2006-2007 biennium. She also emphasized that the shortfall does not include inflation. The February forecast is available online: <http://www.budget.state.mn.us>.

## Health and Family Security

### Pharmaceutical bills heard

Several bills dealing with prescription drugs were the focus of the Tues., Mar. 16, meeting of the Health and Family Security Committee. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), approved all the bills.

S.F. 2091, sponsored by Sen. Dallas Sams (DFL-Staple), requires a pharmacist to provide to the purchaser, for each prescription dispensed where part or all of the cost of the prescription is being paid or reimbursed by a group purchaser, the person's co-pay amount and the usual and customary price of the prescription or the amount the pharmacy will be reimbursed for the drug by the person's employer-sponsored plan or health plan company. Sams said the bill provides a realistic picture of the cost prescription drugs. The bill was approved and advanced to the Senate floor.

The panel also approved a bill clarifying that a pharmaceutical manufacturer, medical supply or device manufacturer, health plan company or pharmacy benefit manager is prohibited from offering or paying any remuneration, to any individual to induce the individual to purchase or order a specific prescription drug, medical supply or medical equipment. S.F. 2150, sponsored by Sen. Sheila Kiscaden (IP-Rochester), also clarifies that nothing in state law shall be construed to prohibit an individual from receiving a discount or other reduction in price as long as the discount is provided directly to the person in connection with the purchase of a prescription drug, the person is not enrolled in any state and federal health care program and the discount is not more than the price of the prescription drug. The measure was approved and sent to the Senate floor.

Kiscaden also carried a bill, S.F. 2192, modifying the authority to dispense controlled substances. The measure clarifies that a controlled substance may be dispensed with a prescription written by a person lawfully licensed to prescribe in the state or by a practitioner licensed to prescribe controlled substances by the state in which the prescription is issued. The bill was amended to require a report from the health-related licensing boards for a competency-based education and assessment program for professionals authorized to prescribe, dispense or

administer prescription drugs. The measure was also sent to the full Senate.

S.F. 1970, sponsored by Lourey, authorizes the commissioner of human services to collect interest on rebates from the drug rebate program. The bill was advanced to the Finance Committee. S.F. 1971, also carried by Lourey, requires prescription drug manufacturers to report to the commissioner of human services their marketing expenses in Minnesota. The measure also provides enforcement authority and sets a penalty. The bill was advanced to the Judiciary Committee.

S.F. 1627, authored by Sen. Linda Higgins (DFL-Mpls.), prohibits any persons from knowingly and intentionally soliciting or receiving any remuneration, including kickbacks, bribes or rebates in return for referring an individual to a person for the furnishing of health care, in return for purchasing, leasing or recommending purchasing any health care related good, facility or service or from offering or paying any kickback, bribe or rebate. The measure also sets both criminal and civil penalties. The bill was approved and re-referred to the Crime Prevention and Public Safety Committee.

S.F. 2365, sponsored by Sen. Steve Kelley (DFL-Hopkins) makes changes to the adverse health care events reporting requirements. The bill was approved and advanced to the floor. S.F. 2657, sponsored by Lourey, decreases the county share of financial responsibility for precommitment confinement costs for sexually dangerous persons and persons with sexual psychopathic personalities. The bill was forwarded to the Finance Committee. S.F. 2225, carried by Sen. Linda Berglin (DFL-Mpls.), creates an employment option for persons committed to a sexual psychopathic personality treatment center in order for patients to contribute to their cost of care in the center. The bill specifies that the earnings generated be divided between the inmate and the center. The bill was also re-referred to the Finance Committee.

### Drug purchasing bill okayed

A bill providing for prescription drug bulk purchasing was approved at a Tues., Mar. 16, evening hearing of the Health and Family Security Committee. Chief Author Yvonne Prettnner Solon (DFL-Duluth) said prices for prescription drugs are skyrocketing and contributing to the overall soaring costs of health care. The

bill, S.F. 1966, is intended to save the state money by using the state's resources in negotiating prescription drug prices, she said.

The measure directs the commissioner of human services to establish the program, to join an existing prescription drug bulk purchasing program and to consolidate drug purchasing. The measure requires the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) to negotiate the prices of prescription drugs purchased under the program, unless the prices are negotiated by an agent of an interstate prescription drug bulk purchasing program. The bill also requires the commissioner to direct MMCAP to negotiate with state-approved Canadian pharmacies or wholesalers the prices to be charge to Minnesotans who purchase their drugs from Canada under Minnesota's prescription drug importation program. The bill was approved and referred to the Finance Committee.

The committee, chaired by Sen. Becky Lourey (DFL-Kerrick), devoted the balance of the hearing to discussing bills dealing with licensing issues. S.F. 2351, sponsored by Sen. Sheila Kiscaden (IP-Rochester), makes technical changes to licensing requirements for speech-language pathologists, audiologists and occupational therapy practitioners. The bill was designate as the vehicle for all the licensing related bills.

S.F. 1985, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides for registration of physician assistants under limited circumstances. S.F. 2089, carried by Sen. Dallas Sams (DFL-Staples), clarifies definitions and license requirements for podiatric medicine. S.F. 1924, also carried by Sams, authorizes physician assistant registration before the completion of a physician and physician assistant agreement and authorizes physician assistants to perform radiography.

S.F. 1865, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes the delegation of duties to speech-language pathology assistants and modifies provisions for speech-language pathology and audiology. S.F. 1968, authored by Lourey, modifies provisions relating to dentist licensure and dentists specialty licensure and clarifies malpractice insurance requirements. S.F. 2394, sponsored by Sen. Linda Berglin (DFL-Mpls.) modifies licensure provisions for registered nurses and advanced registered nurses.

All of the bills were amended into S.F. 2351. The bill was approved and advanced to the Finance Committee.

The committee also began discussion of a bill providing for massage and Asian bodywork therapists registration and regulation. S.F. 689, carried by Higgins, was laid over for further discussion.

## **Health care constitutional amendments gain**

The pace of hearings picked up as the first committee deadline approached. The Health and Family Security Committee, chaired by Sen. Becky Lourey (DFL-Kerrick), met twice Thurs., Mar. 18, to clear a crowded agenda.

Two measures proposing constitutional amendments were approved and advanced to the Rules and Administration Committee. S.F. 2333, sponsored by Sen. John Hottinger (DFL-St. Peter), proposes an amendment specifying every Minnesota resident has the right to basic health care and that it is the responsibility of the governor and the Legislature to implement all necessary legislation to assure affordable health care. S.F. 2305, authored by Sen. Linda Berglin (DFL-Mpls.), proposes an amendment to require the Legislature to establish a universal health care system that guarantees health care access to all citizens.

The panel also heard a bill relating to stem cell research. S.F. 2635, carried by Sen. Richard Cohen (DFL-St. Paul), sets forth a state policy on stem cell research and authorizes the University of Minnesota to spend state appropriated funds on stem cell research. Cohen said stem cell research offers great promise for new medical therapies for a wide range of chronic diseases. The bill was approved and re-referred to the Finance Committee.

A bill requiring the information provided through the Woman's Right to Know Act be medically and factually accurate was also heard. S.F. 2570, sponsored by Sen. Steve Kelley (DFL-Hopkins), defines medically and factually accurate to mean information that has been verified or supported by research conducted in compliance with accepted scientific methods. In addition, the measure requires the information to have been published in peer-reviewed journals, where applicable, or be information that leading professional organizations and

agencies recognize as accurate and objective. Kelley said the bill is in response to a controversial posting on the Department of Health's web site linking abortion and breast cancer. The bill was approved and advanced to the Senate floor.

Members also considered a bill providing a universal health care system. S.F. 979, sponsored by Sen. John Marty (DFL-Roseville), requires the commissioner of health to establish a working group to design a universal health care system to be implemented by 2010. The measure requires a focus on preventive care and early intervention and requires the system to provide affordable access to high quality care. The bill was approved and advanced to the Finance Committee. A bill creating a children's health security program was also approved and re-referred to the Tax Committee. The bill, S.F. 2401, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), creates a children's health security account to provide health care to all eligible children. Solon said the measure also increases the cigarette tax by \$1 per pack and increases the tax on other tobacco products for 35 percent of the wholesale price to 108 percent of the wholesale price.

## **Single payer health plan proposed**

When members of the Health and Family Security Committee returned for the evening portion of the hearing, the first item on the agenda was a bill establishing a universal health program for all Minnesotans. S.F. 339, sponsored by Sen. Leo Foley (DFL-Coon Rapids), establishes the Minnesota Universal Health Board for the purpose of providing a single, publicly financed, statewide program to provide comprehensive coverage for all necessary health care services for residents of Minnesota. The bill is financed through the consolidation of funding from existing state and federal programs and a designated progressive income tax. The bill was approved and advanced to the Finance Committee.

Several additional bills were also approved. S.F. 2504, authored by Sen. Sheila Kiscaden (IP-Rochester), specifies a health insurance purchasing alliance may define eligible employees to include seasonal employees. Under the bill, a seasonal employee is an employee who is employed on a full-time basis for at least six months during the calendar year. The



# Committee update

measure was approved and re-referred to the Commerce Committee. S.F. 1759, sponsored by Sen. Linda Berglin (DFL-Mpls.), modifies conditions for application by health care providers for designation as essential community providers for health plan coverage purposes. The bill was approved and advanced to the Finance Committee. S.F. 1563, carried by Kiscaden, establishes the Sustainable Health Care Act and provides for reform of health care coverage and public programs for low-income and working Minnesotans. The bill directs the commissioner of health to prepare a report describing the feasibility of various options for assuring that all Minnesota residents have health coverage, pay for coverage according to their ability and receive appropriate health care services. The measure was approved and re-referred to the Finance Committee. S.F. 2602, sponsored by Lourey, modifies the Medical Assistance, General Assistance Medical Care and the MinnesotaCare programs by increasing income eligibility and benefits provided. The measure decreases the MinnesotaCare provider tax and increases the tax on cigarettes and tobacco products. The bill was approved and re-referred to the Tax Committee.

One measure failed to gain approval. S.F. 2468, carried by Kiscaden, increases the tax on tobacco products, reduces the MinnesotaCare tax on health care providers and eliminates the Minnesota Comprehensive Health Association assessment.

## Health, Human Services and Corrections Budget Division

### Public testimony heard

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Wed., Mar. 17, to hear public testimony on the governor's budget recommendations. The panel heard from representatives of counties, social service agencies, hospitals, long-term care providers and professional/trade associations.

## Higher Education Budget Division

### Biosciences proposals heard

A series of plans to make Minnesota a leader in the field of biosciences were

heard by members of the Higher Education Budget Division, Tues., Mar. 16.

The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), began by hearing the recommendations of the Governor's Bio-Science Council. Louis Jambois of the Dept. of Employment and Economic Development, Doug Johnson of the Carlson School of Management at the University of Minnesota, Dr. Erick Wieben of the Mayo Clinic and Dr. Mark Paller of the University of Minnesota reviewed the proposals, which are contained in three bills. S.F. 2456, carried by Sen. Ellen Anderson (DFL-St. Paul), provides \$20 million to design, construct, furnish and equip transportation, development and redevelopment infrastructure required to support bioscience development in the St. Paul bioscience corridor. S.F. 2754, authored by Sen. Steve Kelley (DFL-Hopkins), provides \$70 million for operating expenses of the joint partnership between the University of Minnesota and the Mayo Clinic for research in biotechnology and medical genomics. S.F. 2757, sponsored by Sen. Richard Cohen (DFL-St. Paul), appropriates \$40 million for projects in the biotech zone encompassing Minneapolis, St. Paul and Rochester. No action was taken on the proposals, as they were not before the division.

Division members also considered two other bills, which were laid over for possible inclusion in an omnibus higher education bill. S.F. 2777, carried by Sen. Satveer Chaudhary (DFL-Fridley), appropriates \$750,000 to develop and establish a partnership between the Minnesota State Colleges and Universities and the biosciences industry. Sen. Ann Rest (DFL-New Hope) carried S.F. 1825, which makes changes to the tuition reciprocity programs with the states of Wisconsin, South Dakota and North Dakota.

### Presentation heard

Members of the Higher Education Budget Division and the Environment, Agriculture and Economic Development Budget Division met Thurs., Mar. 18, to hear presentations from Charles Muscoplat, vice president, Agriculture, Food and Environmental Sciences, University of Minnesota, and Charles Casey, dean and director, University of Minnesota Extension Service. Sen. Sandra Pappas (DFL-St. Paul) and Sen.

Dallas Sams (DFL-Staples) co-chaired the hearing.

## Jobs, Energy and Community Development

### Federal overtime pay changes rejected

Members of the Jobs, Energy and Community Development Committee, meeting Fri., Mar. 12, essentially rejected new federal overtime regulations. S.F. 2413 uses the state's authority to adopt higher standards to maintain current federal overtime regulations in Minnesota. The federal regulations are effective Mar. 31, 2004.

The bill, authored by Sen. Dan Sparks (DFL-Austin), requires employers to pay overtime after 40 hours of work in a work week for employees who would have received overtime under current federal law. The measure also requires the Dept. of Labor and Industry (DOLI) to analyze the effects of the federal change on the payment of overtime to Minnesota workers and report to the Legislature by Jan. 15, 2005. "This proposal protects families from uncertainty," Sparks said, by maintaining the status quo until the impacts of the federal changes are clear. Representatives of labor organizations spoke in support of the bill. Mike Hickey, National Federation of Independent Business, said the old federal law was outdated and needed clarification. The new federal rules offer workers at the lowest income levels significant improvement in the availability of overtime, he said. Hickey said Minnesota should not isolate itself from a significant federal change in labor law. Assistant Commissioner Roslyn Wade said the department does not have a position on the proposal, but is concerned about staffing. She said DOLI staff will be required to enforce federal labor law, in addition to state law, and to develop a specialty in what amounts to outdated federal rules. S.F. 2413 was sent to the full Senate on a 9-0 roll call vote.

In other action, committee members approved five additional bills. S.F. 2462, sponsored by Committee Chair Ellen Anderson (DFL-St. Paul), permits housing and redevelopment authorities to lease townhomes and condominiums to eligible low- and moderate-income tenants. The measure was advanced to the

Judiciary Committee. Sen. Dallas Sams (DFL-Staples) carried S.F. 2591, which establishes a job creation program providing grants to Greater Minnesota employers to subsidize wages and benefits. The bill was re-referred to the Finance Committee.

Sen. Jane Ranum (DFL-Mpls.) carried two bills, S.F. 1972 and S.F. 1973. Both bills expand the jurisdiction and membership of the Metropolitan Radio Board to include Chisago and Isanti Counties, authorize the sale of revenue bonds by the Metropolitan Council for the second and third phases of the 800 MHz public safety radio communication system and repeal the sunset of the Metropolitan Radio Board. In addition, S.F. 1972 increases the 911 emergency telephone services fee to eliminate the ongoing deficit in the 911 fund and to help defray the cost of operating public safety answering points. S.F. 1972 was re-referred to the Finance Committee. S.F. 1973 was sent to the Senate floor.

The panel also heard S.F. 2233, authored by Sen. Gary Kubly (DFL-Granite Falls). The bill requires a study on the effect of imported Manitoba hydropower on the development of renewable energy sources and related economic development in Minnesota. A motion to approve the bill was defeated.

## Biotech initiatives gain

Proposals providing additional state support for the burgeoning biotechnology and health sciences industry were approved by the Jobs, Energy and Community Development Committee, Mon., Mar. 15. The bills were advanced to the Finance Committee.

Minnesota needs to come up to speed with other states, said Sen. Richard Cohen (DFL-St. Paul), chief author of S.F. 2757. The measure appropriates \$40 million for projects in the biotech zone encompassing Minneapolis, St. Paul and Rochester. There are existing assets we can capitalize on in Minnesota, including the University of Minnesota and numerous medical device makers and agricultural businesses, said Martha Fuller, St. Paul's director of planning and economic development. The measure facilitates and accelerates private investment, she said, creating a home for generators of 21st century jobs. The strength of our assets is such that Minnesota can not only catch up, but actually surpass other states, said Sen. David Senjem (R-Rochester).

S.F. 2754, carried by Sen. Steve Kelley (DFL-Hopkins), provides \$70 million over five years for the joint partnership between the Mayo Clinic and the University of Minnesota. This partnership is a path-breaking effort, Kelley said, that has already funded four research projects. Dr. Mark Paller, assistant vice president for research at the University, said an economic analysis of the investment in the partnership shows dramatic returns for the state. The total annual impact, in a mid-range scenario, is estimated to be \$290 million in 5 years, \$546 million in 10 years and \$934 million in 15 years, he said. Dr. Erick Wieben, director of the Mayo Genomics Research Center, said Minnesota is in a unique position to lead. No institution can move forward alone, but in concert, nothing is out of reach, he said. (Information about the partnership is available online: <http://www.mayouminnesotapartnership.org>.)

Medical and biosciences research is fraught with ethical and socially difficult issues, said Twila Brase of the Citizens Council on Health Care. If we do not deal with the issues now, she said, the economic development potential could be placed in future danger. Brase said an area of special concern for some patients is implied consent. She said patients should be guaranteed a right of explicit consent that is study-specific and placed on a separate consent form. Kelley said the ethical challenges posed by technology predate medical research and we are up to dealing with the issues through an open, democratic process.

In other action, committee members, chaired by Sen. Ellen Anderson (DFL-St. Paul), considered a packinghouse workers' bill of rights, S.F. 2631, sponsored by Sen. Satveer Chaudhary (DFL-Fridley). The bill reaffirms workers' existing rights, said Bernie Hesse of the United Food and Commercial Workers. Making sure employees know their rights, he said, helps employers and employees and reduces turnover. John Exner, Midwest Food Processors Association, said employers are already engaged in ensuring that employees are adequately protected. Safety education is being expanded to other languages, he said, and the association provides cultural awareness seminars for employers. Several committee members expressed concern with the broad and vague goals embraced by the bill. "We could double the statute books and not

accomplish much," said Sen. Mark Ourada (R-Buffalo), if everyone's goals were codified. Kelley said the core of the bill is contained in four sections, primarily relating to the communication of rights to workers in their native languages. S.F. 2631 was laid over.

## Four bills gain

Members of the Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Wed., Mar. 17, to approve four bills.

S.F. 260, authored by Sen. Linda Higgins (DFL-Mpls.), requires the commissioner of labor and industry to adopt occupational safety and health standards regulating workplace ergonomic hazards, including awkward positions, force, repetitive motion, repeated impacts, vibration and heavy, frequent or awkward lifting. Higgins also sponsored S.F. 2739, which requires Metropolitan Airports Commission concession services contracts to include a valid labor agreement prohibiting employees from engaging in picketing, work stoppages, boycotts or other actions interfering with concession operations and requiring final and binding arbitration for labor disputes. The bill also specifies employee retention requirements upon concession management changes. S.F. 2631, carried by Sen. Satveer Chaudhary (DFL-Fridley), creates a packinghouse workers bill of rights. The bills were advanced to the full Senate.

S.F. 2844, sponsored by Sen. Thomas Bakk (DFL-Cook), was re-referred to the Health and Family Security Committee. The bill enacts recommendations from the Workers' Compensation Advisory Council.

## Judiciary

### Appeal bond limit okayed

Minnesota has moved closer to joining 27 other states with a cap on the amounts of appeal bonds. Members of the Judiciary Committee, meeting Tues., Mar. 16, approved a bill limiting appeals bonds to \$150 million.

Individuals and corporations have a right to appeal judgments, said Sen. Don Betzold (DFL-Fridley), chief author of H.F. 1425. Appeal bonds required in other states have threatened to bankrupt large companies, especially tobacco



# Committee update

manufacturers, he said, and there are limits on what international bond markets can support. The law should not make it impossible for defendants to appeal judgments against them, Betzold said. Keith Teel, an attorney, said the appeal bond limit is in the interests of both the tobacco industry and states. If tobacco companies declare bankruptcy, he said, states lose their payments under the tobacco settlements. The tobacco industry is not the only area of commerce affected by onerous appeal bonds, said Tom Hesse, Minnesota Chamber of Commerce. Any company could face devastating requirements to pursue an appeal, he said.

This bill is only here because of tobacco, not for any other industry, said Jeremy Hanson, Minnesota Smoke-Free Coalition. Tobacco companies have access to enormous financial resources, he said, and do not need special protection. Plaintiffs deserve access to their awards, he said, and appeal bonds guarantee them that the money will be there at the end of the road. However, Betzold said it is imaginable that medical device manufacturers or other large companies, such as Medtronic and 3M, could face large judgments and appeal bonds. The bill protects the right to appeal, he said, but does not let defendants avoid ultimately paying plaintiffs if the appeal fails.

Members adopted an amendment, offered by Sen. John Marty (DFL-Roseville), allowing courts to determine if a judgment debtor is dissipating assets to avoid paying the judgment and to require the judgment debtor to post a bond in an amount up to the amount of the judgment, regardless of the cap. Sen. Thomas Neuville (R-Northfield) offered an amendment, adopted by the panel, raising the original cap in the bill of \$100 million to \$150 million. H.F. 1425 was advanced to the full Senate.

In other action, committee members, chaired by Betzold, also approved four additional bills. S.F. 1645, authored by Sen. Mady Reiter (R-Shoreview), adds rock climbing and exploring caves to the definition of recreational purpose in statutes providing immunity to landowners who allow the public to use their land for recreational purposes. S.F. 2460, carried by Sen. Linda Berglin (DFL-Mpls.), defines nonprofit health care trusts. S.F. 2666, sponsored by Marty, modifies the Human Rights Act. The bills were sent to the Senate floor. S.F. 2026,

carried by Sen. Steve Kelley (DFL-Hopkins), was re-referred to the Education Committee. The measure is the Dept. of Education policy bill and contains two data practices provisions classifying preliminary school accountability data as nonpublic until it is finalized and released by the commissioner of education.

## Joint and several liability discussed

The Judiciary Committee met Thurs., Mar. 18, to consider a bill making changes to joint and several liability. S.F. 2933, authored by Sen. John Hottinger (DFL-St. Peter), modifies the provision relating to contributory fault in tort actions and specifies that joint liability applies to a person whose fault is greater than 40 percent, rather than the 50 percent in current law. The bill provides that a plaintiff may recover damages as long as the plaintiff's contributory fault was not greater than the aggregate fault of the persons against whom recovery is sought. Hottinger said the bill makes changes that he would have made last year, had the bill been subject to debate on the Senate floor. The measure was approved and advanced to the floor.

A bill implementing an information system on birth defects sparked considerable discussion among committee members. S.F. 2242, authored by Sen. Sheila Kiscaden (IP-Rochester), requires the commissioner of health to maintain an information system containing data on the cause, treatment, prevention and cure of major birth defects and developmental disabilities. The measure classifies data collected for the birth defects information system as private data on individuals and specifies that the data may only be used for the purposes of the birth defects information system. The measure also provides that furnishing information for purposes of the birth defects information system does not subject a person, hospital, medical clinic, medical laboratory, data repository or other institution to any action for damages or relief. The bill also contains an opt out provision whereby a parent or guardian may request removal of personal identifying information concerning a child from the birth defects information system. Sen. David Hann (R-Eden Prairie) and Sen. Warren Limmer (R-Maple Grove) said they were concerned with the data privacy provisions. Limmer

said that allowing data collected by the birth defects information system to be disseminated to a state or local government agency, even if the other agency is required to maintain the confidentiality of the data, places the data at risk.

Members adopted several oral amendments clarifying the opt out provisions. The bill was approved and re-referred to the Finance Committee.

In other action, the committee approved several additional bills. S.F. 1822, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), modifies debtor exemptions for worker's compensation claims and personal injury claims. The bill also specifies the exemption of funds from creditor's claims is not affected by depositing the funds in a bank. The bill was approved and forwarded to the full Senate. S.F. 1206, carried by Sen. Becky Lourey (DFL-Kerrick), provides for the prevention of lead poisoning. The bill was amended to remove the portions that are under the committee's jurisdiction and re-referred to the Finance Committee. S.F. 2462, sponsored by Sen. Ellen Anderson (DFL-St. Paul), preserves housing authority ability to lease townhome and condominium properties to eligible tenants. The bill was also approved and advanced to the Finance Committee.

S.F. 2437, carried by Sen. Ann Rest (DFL-New Hope), makes numerous technical changes in order to implement the statewide computerized filing system for recording liens on agricultural products. The measure also sets fees and establishes filing requirements. The bill was approved and re-referred to the Finance Committee.

A bill carried by Committee Chair Don Betzold (DFL-Fridley) was approved and advanced to the Senate floor. The bill, S.F. 2593, prohibits condominium or townhome associations from restricting the display of the U.S. flag on residential property. The bill was amended to require that the flag not cause damage and that the flag be displayed in accordance with proper flag etiquette.

## K-12 Education Budget Division

### Ballot simplification bill heard

The K-12 Education Budget Division met Tues., Mar. 16, to hear a presentation on career and technical education. The

division also heard two bills sponsored by Division Chair LeRoy Stumpf (DFL-Thief River Falls).

S.F. 2059 simplifies referendum revenue ballot questions, restores building lease levy authority, restores authority to levy for the full cost of judgments and employment insurance costs and restores the safe schools levy to \$30 per pupil. S.F. 2638 amends prekindergarten through grade 12 education and early childhood and family education budget provisions. The measure provides for staff development programs and outlines the requirements for the programs. The bill also provides funding for the programs in addition to other funding provisions.

### **LEP limits discussed**

Members of the K-12 Education Budget Division met Wed., Mar. 17, and considered two bills dealing with limited English proficiency. S.F. 2452, authored by Sen. Sheila Kiscaden (IP-Rochester), removes the limit on funding for limited English proficiency programs. S.F. 1986, carried by Sen. Wesley Skoglund (DFL-Mpls.) also removes the limit on funding. Both bills also modify revenue calculations for limited English proficiency program.

In other action, the division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), also considered two bills restoring the special education program growth factors. S.F. 2101, sponsored by Kiscaden, and S.F. 2140, sponsored by Sen. Ann Rest (DFL-New Hope), both set the program growth factor at 1.046 for FY 2005 and beyond. In addition, both measures provide additional appropriations.

The panel also heard a bill providing for payment of the full cost of school breakfast and lunch special diets based on religious beliefs. S.F. 2519, carried by Sen. Steve Kelley (DFL-Hopkins), provides that the state pay districts participating in the national school lunch program the amount necessary to pay the full cost for each full paid, reduced and free student lunch that is a special diet based on the religious beliefs of the student.

All of the bills were laid over for possible inclusion in the division's omnibus bill.

## **State and Local Government Operations**

### **Twins community ownership advanced**

The State and Local Government Operations Committee met Mon., Mar. 15, to consider issues ranging from baseball team ownership to the organization of the Pollution Control Agency.

"The idea of community ownership of the Minnesota Twins has broad bipartisan support," said Chief Author Ellen Anderson (DFL-St. Paul). She was outlining the plan for community ownership contained in S.F. 1769. Anderson said the bill provides for two levels of ownership, with 75 percent of the team publicly owned and 25 percent owned by a private management partner. Of the publicly owned portion, the bill specifies fans and the public would be purchasing a "certificate of ownership" not tradable stock and holders would have limited voting rights. However, under the bill, 50 percent of the publicly owned stock would be sold so that no person or entity owns more than 1 percent and up to 25 percent may be sold in 5 percent increments to individuals and corporations. Anderson said the bill provides that it would take a super majority of all the owners to allow the team to move. "The bill puts the brakes on the team," Anderson said, "and allows for a rational and open discussion about the type of ballpark needed and the appropriate funding mix."

Julian Loscalzo, representing F.A.N.S., an organization which is supported by fans, said, "The bill requires fans to step up to the plate and show that the Twins are a valuable community asset." Loscalzo also said the bill provides for a practical business model. Robert Welle, also with F.A.N.S., said, "The bill requires the cooperation of the current owners." Sen. Dick Day (R-Owatonna) said, "I can't see people lining up to buy shares, because we can't get people to the games now." Anderson countered, "The point is we need to find out how much support there is before spending on a stadium." The measure was approved and advanced to the full Senate.

Members also approved a bill requiring the Metropolitan Airports Commission (MAC) to have labor-related provisions in contracts with concession operators. S.F. 2739, sponsored by

Committee Chair Linda Higgins (DFL-Mpls.), requires that any new contracts with concession operators have provisions relating to the current employees at the Minneapolis-St. Paul International Airport. Jaye Rykuny, representing the workers at the airport, said a recent legislative auditor's report suggested the MAC enhance the revenue stream from concession operators. Accordingly the MAC has issued a request for proposal to explore competitive bids for airport concessions. Currently, about 1,000 union employees work at the airport and the bill is an attempt to provide some assurance that the jobs will not disappear with a new operator, Rykuny said. A representative from the MAC said the bill ties the hands of concession operators with regard to hiring. Members approved the bill on a 7-5 roll call vote and re-referred the measure to the Jobs, Energy and Community Development Committee.

A bill reorganizing the structure of the Pollution Control Agency (PCA) also gained committee support. S.F. 2681, sponsored by Sen. John Hottinger (DFL-St. Peter), increases the authority of the individual members of the PCA and decreases the authority of the commissioner. The bill requires the commissioner to carry out the policies established by the agency and the commissioner's appointment of deputies and assistants are subject to the approval of the agency. The bill was approved and re-referred to the Environment and Natural Resources Committee.

Two bills, authored by Sen. David Tomassoni (DFL-Chisholm), were recommended for placement on the Consent Calendar. S.F. 1958 authorizes townships to make payments by electronic or wire transfer and accept payments by credit card or other method. S.F. 2772 authorizes the city of Hoyt Lakes to extend its zoning and subdivision regulations within part of the town of White, subject to the town's approval.

### **School employee insurance bill heard**

A bill establishing a school employee health insurance pool sparked considerable discussion at the Wed., Mar. 17, meeting of the State and Local Government Operations Committee. S.F. 2491, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), creates a statewide



# Committee update



**Senators David Tomassoni (DFL-Chisholm), left, and William Belanger (R-Bloomington) consult during a recent meeting of the Tax Committee.**  
Photo by David J. Oakes

health insurance pool for school district employees. The measure requires that the insurance pool be available to all eligible employees and that eligible employers provide health coverage only through the pool. Stumpf said the idea is to have a large enough pool that health care costs will be more affordable. The bill also provides that the pool may include a choice of health plans and more than one level of premium rates charged to the employers. The bill also permits the board to decide whether the pool should be fully-insured, self-insured or some combination.

The measure was forwarded to the Health and Family Security Committee without recommendation.

In other action, the committee, chaired by Sen. Linda Higgins (DFL-Mpls.), considered several additional bills. S.F. 2632, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for the name of the agency known as the Iron Range Resources and Rehabilitation. The

measure was recommended for placement on the Consent Calendar.

S.F. 2703, authored by Sen. Jane Ranum (DFL-Mpls.), modifies the state hiring process. The measure provides for a new process that relies on a more flexible database containing job seeker information. The measure was approved and sent to the Senate floor. S.F. 2216, sponsored by Sen. John Marty (DFL-Roseville), is a technical Dept. of Natural Resources housekeeping bill. The measure modifies electronic licensing provisions, clarifies wild rice provisions, modifies snowmobile training and operating requirements and modifies provisions for cross-country ski licenses. The bill was also sent to the Senate floor. S.F. 2273, sponsored by Sen. Betsy Wergin (R-Princeton), specifies that fees adopted by a municipality to defray the costs of administering actions under the Municipal Planning Act to have a relationship to the actual costs of the service for which the fee is charged. The bill was also sent to the full Senate.

S.F. 1789, sponsored by Sen. Becky Lourey (DFL-Kerrick), modifies the group long-term care insurance program for public employees by extending eligibility to include employees of political subdivisions and the parents of the spouse of a public employee. The bill was approved and re-referred to the Finance Committee.

## **Bill removing salary cap okayed**

The State and Local Government Committee, chaired by Sen. Linda Higgins, continued the Wed., Mar. 17, hearing into the evening hours. The second portion of the hearing saw approval of a bill, S.F. 2713, that lifts the salary cap for employees of political subdivisions. Current law provides that salaries may not exceed 95 percent of the governor's salary. Chief Author Steve Kelley (DFL-Hopkins) said the current limit results in inequities and limits the ability of local governments to hire the

best employees for highly responsible positions. The bill was approved and advanced to the full Senate.

In other action, the committee defeated a bill, S.F. 1791, requiring the commissioner of public safety to adopt rules containing fire-resistant cigarettes. The bill, sponsored by Sen. John Marty (DFL-Roseville), requires the rules to go into effect by Jan. 1, 2005, or six months after similar rules in New York go into effect. The measure failed on a divided voice vote.

The committee endorsed a bill modifies the provision of telecommunications and information services by the commissioner of administration. S.F. 2762, sponsored by Kelley, specifies that the state meet the telecommunication and information services needs of the state in a manner that will promote investment and growth of the private sector. The bill was approved and re-referred to the Jobs, Energy and Community Development Committee. S.F. 2894, also authored by Kelley, authorizes increased State Board of Investment participation in venture capital investments. The bill outlines the requirements for investments and allows the board to invest in early stage venture capital investments, subject to some specific conditions. The measure was advanced to the Judiciary Committee.

Members also discussed a bill not technically in the committee, but could take no action. S.F. 2798, carried by Kelley, reallocates federal funds and funds a study to merge the Minneapolis Library Board and the Hennepin County Library Board.

## State Government Budget Division

### Business governance bill advances

Members of the State Government Budget Division approved a bill modifying the Uniform Limited Partnership Act and enacting recommendations from the business law section of the State Bar Association.

S.F. 1803, carried by Sen. John Hottinger (DFL-St. Peter), enacts a new Uniform Limited Partnership Act (ULPA) and repeals the current law. According to the inter-state commission on uniform laws, the new act targets sophisticated commercial deals whose

participants commit for the long term and estate planning arrangements. Members adopted an amendment to S.F. 1803 containing the provisions of S.F. 1829, sponsored by Sen. Steve Kelley (DFL-Hopkins). S.F. 1829 includes the bar association's recommendations and provides consistency between laws governing business corporations, non-profit corporations and limited liability companies. The combined bill also contains a doubling of fees charged by the Secretary of State for the filing of new corporate information. The fee is intended to cover the one-time costs of implementing the new ULPA and returns to its current level after one year, under the bill. S.F. 1803 was advanced to the full Finance Committee.

Division members, chaired by Sen. Jane Ranum (DFL-Mpls.), also considered four other measures. S.F. 1551, carried by Sen. Jim Vickerman (DFL-Tracy), provides planning assistance grants to regional development commissions. S.F. 1786, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), provides that counties with examiners of title and deputy examiners of title may retain certain district court filing fees. The bills were laid over for inclusion in an omnibus bill.

Two bills were approved and sent to the Finance Committee. S.F. 2241, carried by Ranum, appropriates \$117,000 from the technology enterprise fund to complete small agency infrastructure and electronic government services projects. Sen. David Knutson (R-Burnsville) sponsored S.F. 1836, which simplifies filing procedures in the Secretary of State's Office.

## Taxes

### Caucus budget proposal heard

Members of the Tax Committee met Tues., Mar. 16, to review the budget proposal put forward by the Senate Minority Caucus. Sen. Dick Day (R-Owatonna), minority leader, presented the proposal.

The plan resolves the \$160 million forecasted shortfall and provides \$41 million for additional investments. The proposal relies on \$100 million in revenue from a state-run casino at Canterbury Park, transfers \$50 million from the health care access fund surplus, transfers \$32 million from the budget reserve and

saves \$19 million by reducing state agency budgets by 3 percent. Day said the plan still leaves a substantial budget reserve, \$600 million, and a \$20 million surplus in the health care access fund. Unlike the governor's plan, he said, the proposal does not cut funding for nursing homes, transportation or higher education. The key element, Day said, is the Canterbury Park racino.

A racino, or casino co-located with horse racing, can raise several hundred million dollars in state revenue in the first five years of operation, Day said. Polls show a majority of Minnesotans support state-run gambling to balance the budget or fund other priorities, he said. The alternatives for additional revenue, or additional cuts, are not appealing, Day said. He also rejected proposals to renegotiate the state's compacts with Indian tribes. "We do not want any revenue from the casinos the Native Americans run," he said. Day said the racino proposal introduces competition into the gaming marketplace. Gambling is already being expanded, inside the tribal casinos, he said. Those who are concerned about expanding gambling should not focus solely on a proposal for one more casino, Day said.

In other action, committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered four measures for possible inclusion in the omnibus tax bill. The provisions were ranked according to the committee's priority system. S.F. 2618, authored by Sen. Sheila Kiscaden (IP-Rochester), changes the method for the adoption of local sales taxes to permit cities of the second or third class to impose by ordinance general sales taxes of 0.5 percent to pay for regional capital improvements. S.F. 774, carried by Sen. Mark Ourada (R-Buffalo), authorizes a local option sales tax in Clearwater. Sen. Becky Lourey (DFL-Kerrick) sponsored a bill, S.F. 961, providing for a local option sales tax in Cloquet. S.F. 2716, carried by Sen. Mee Moua (DFL-St. Paul), is the Department of Revenue policy bill.

### TIF bills heard

The Wed., Mar. 17, meeting of the Tax Committee was devoted to hearing a variety of bills relating to tax increment financing. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), took no formal action on the bills, but did prioritize the measures.



# Committee update

S.F. 1542, sponsored by Sen. Julie Rosen (R-Fairmont), allows the city of Fairmont to adjust the original tax capacity of a tax increment financing district. The bill was recommended for placement on the committee's B list. S.F. 1502, authored by Sen. Sheila Kiscaden (IP-Rochester), eliminates the mileage restriction in the definition of a qualified small city. The measure was recommended for placement on the panel's A list. S.F. 2719, authored by Sen. Keith Langseth (DFL-Glyndon), provides for the establishment of redevelopment districts in the city of Detroit Lakes. The measure was also recommended for the committee's B list.

S.F. 1826, carried by Sen. Ann Rest (DFL-New Hope), authorizes the expenditure of tax increments for job training for employees of businesses located in tax increment financing districts. S.F. 830, sponsored by Sen. Mark Ourada (R-Buffalo), authorizes creation of a tax increment financing district in the city of St. Michael. Both measures were recommended for the panel's A list. S.F. 2303, carried by Pogemiller, removes a duration limitation on a redevelopment tax increment financing district in the city of Minneapolis. The bill was recommended for the B list.

S.F. 2406, authored by Sen. Mee Moua (DFL-St. Paul), reduces the premium tax for life insurance. The measure was placed on the committee's C list.

## Transportation Policy and Budget Division

### County approval of plats discussed

A bill providing for county board approval of plats was the focal point of discussion at the Tues., Mar. 16 meeting of the Transportation Policy and Budget Division. S.F. 2600, sponsored by Sen. Mark Ourada (R-Buffalo), specifies that a county that had adopted a long-term comprehensive transportation plan may authorize the county engineer to review and approve any proposed preliminary plat or initial plat filing that includes land located in a city or town that borders a county state-aid highway. Ourada said counties should have a say in the way development conforms to the county's long-term transportation plan, for the

amount of right-of-way in the platted land dedicated to highway purposes, for the adequacy of drainage provisions, for adequacy of control access to the highway and for congestion management.

Several county engineers spoke in support of the measure. Doug Fischer, Anoka County engineer, said usually counties and cities act in partnership, but counties need to be able to adequately provide for transportation needs. Opponents of the measure included representatives of cities and townships. Division Chair Steve Murphy (DFL-Red Wing) suggested the bill be laid on the table in order for interested parties to continue working on the measure.

Ourada carried another bill that sparked considerable discussion. S.F. 2742 restricts the operation of grain carts on public streets and highways. The measure defines a grain cart as a vehicle designed and manufactured exclusively for the collection and transportation of grain in the field during harvest operation. Ourada said grain carts are extremely heavy and cause damage to roads. The measure was laid on the table for further discussion.

Members advanced two bills to the full Finance Committee. S.F. 2709, sponsored by Sen. Jane Ranum (DFL-Mpls.), requires each revision of the state transportation plan to include a chapter setting out a state aviation plan. Ranum said there is no comprehensive statewide plan for aviation and the bill creates an advisory council to advise the commissioner on the aviation plan. Under the bill, the advisory council is required to consider present and anticipated capacity needs, needs of residents and businesses and anticipated changes in aircraft, noise and other trends.

Minneapolis Mayor R.T. Rybak said, "Minnesota does not have a comprehensive aviation plan and our competitors, such as Chicago and Detroit are moving ahead of us. We need to grow aviation in the state in order to grow the economy." St. Cloud Mayor John Ellenbecker also spoke in support of the measure.

S.F. 555, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), allows two-way operation of snowmobiles on either side of highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the highway or riders of the snowmobiles.

The division also began work on a bill providing for the acquisition of property for transportation purposes. S.F. 2643, sponsored by Sen. Ann Rest (DFL-New Hope), also provides for acquiring right-of-way from common interest ownership communities and makes a number of technical changes to transportation provisions. The bill was laid on the table and will become the vehicle for an omnibus transportation bill.

### Young driver cell phone ban approved

The Transportation Policy and Budget Division tackled a number of bills relating to traffic safety at the Thurs., Mar. 18, hearing. The division, chaired by Sen. Steve Murphy (DFL-Red Wing), approved a bill prohibiting holders of provisional driver's licenses or instruction permits from operating cell phones in a moving vehicle. S.F. 2805, authored by Sen. Sean Nienow (R-Cambridge), prohibits young drivers from using a cell phone regardless of whether the telephone is hand held or hands free. The bill does provide exceptions for passengers and operators of authorized emergency vehicles. In addition, the young driver may assert an affirmative defense that the violation was made for the sole purpose of calling for emergency assistance. The measure was advanced to the full Finance Committee.

The division also approved a bill specifying that the commissioner of public safety not issue an instruction permit to a person under age 18 if the person has ever been convicted of a crash-related violation. S.F. 2851, sponsored by Sen. Betsy Wergin (R-Princeton), also prohibits the issuance of a provisional license to a person who has ever incurred a conviction for a crash-related violation and at the time of the conviction did not possess an instruction permit. Mary Weis, a parent whose child died as a result of an accident caused by a youthful unlicensed driver, spoke in support of the bill. The measure was advanced to the full Finance Committee.

The division also approved and sent to the Finance Committee a bill making violation of the seat belt law a primary offense. S.F. 2550, sponsored by Murphy, also requires all passengers to wear a seat belt, makes a violation a petty misdemeanor with a fine of up to \$300 and

requires \$25 from each fine to be used for the emergency medical services relief account and the remainder of each fine to be sent to the county in which the violation occurred to be used for detoxification services.

S.F. 2795, also carried by Murphy, requires drivers to reduce speed when approaching or passing stopped emergency vehicles. Murphy said the bill requires the driver to slow down to the extent necessary to control the vehicle, to prevent a collision, to prevent injury to persons or property and to avoid interference with the performance of emergency duties. The bill also requires the commissioner of public safety to take all necessary steps to insure that persons enrolled in driver education programs are instructed about the responsibilities of drivers when approaching emergency scenes and stopped emergency vehicles. In addition, the bill provides that a peace officer may arrest a person who speeds through an emergency scene. Finally, the bill sets a new fine of \$75 for persons who fail to reduce speed if illuminated or reflective warning markers have been placed on the highway within 1,000 feet of the scene. Alicia Granholm, Esko Fire Department, illustrated the need for the bill with a description of an accident that took the life of her husband. The bill was advanced to the Finance Committee.

Members also approved a bill specifying the duty of care of bus drivers to passengers. S.F. 2680, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), provides that the duty of care applies when the passenger is on the bus or boarding or disembarking. The measure was advanced to the Finance Committee. S.F. 1798, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), provides that a county or town board must not make final payment on any road construction or improvement contract until the engineer has certified to the county board or the town board that the work has been done and the certificate has been filed in the office of the county auditor or town clerk. The measure was also advanced to the full Finance Committee.

The division also discussed S.F. 2104. The bill, sponsored by Sen. Thomas Bakk (DFL-Cook), authorizes the issuance of up to \$2.524 million in state trunk highway bonds for the East Two Rivers project near the city of Tower. The measure was

held over for possible inclusion in the division's omnibus proposal.

Finally, members had a lively debate over a bill requiring transportation funds to be spent equally on projects in the Metro Area and projects in Greater Minnesota. S.F. 2748, carried by Murphy, specifies that only unspent funds appropriated to the commissioner of transportation last year be divided equally between trunk highway improvement projects in the Metro Area and projects in Greater Minnesota. Murphy said the bill is in response to a list of projects announced last year that did not include projects on the list of most needed. Sen. Julianne Ortman (R-Chanhassen) said that some of the projects have been waiting since the 1960s. Sen. Claire Robling (R-Jordan) said the measure was too parochial and unfair. However, Sen. Sharon Marko (DFL-Cottage Grove) said that as long as there is a shortage of state resources, everyone will be squabbling over transportation projects. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment requiring the money earmarked for the Metro Area be distributed evenly. The amendment failed. The bill was advanced to the Finance Committee on a 10-6 roll call vote.

### **Trunk highway bonding projects discussed**

After a short break, members of the division reconvened to discuss trunk highway fund appropriations. Before beginning the discussion, Sen. Sharon Marko (DFL-Cottage Grove), moved that S.F. 2399 be taken from the table. The bill repeals authorization for private toll roads and bridges. Marko offered an amendment that she said addressed issues she found troubling in the concept of private toll facilities rather than repealing the authorization. The amendment requires right of way to be acquired at fair market value, prohibits a noncompete clause, allows municipalities to make an informed decision regarding consent to FAST Lanes developments, and requires county response to a proposal for private toll lanes.

The amendment was adopted and the bill was advanced to the full Finance Committee.

Sen. Scott Dibble (DFL-Mpls.) moved that S.F. 2397 be taken from the table. The measure requires the commis-

sioner of transportation to prepare a toll facilities plan and prohibits noncompete provisions in toll facility development agreements that restrict or prohibit public transit. The bill was also advanced to the Finance Committee.

The division then turned to S.F. 2643. The measure is the vehicle for trunk highway bond projects. Murphy offered an amendment to remove provisions that would require the bill to be re-referred to the Judiciary Committee. In addition, the amendment includes governor's recommendations for trunk highway bonding projects. The measure appropriates \$3 million from the trunk highway fund to continue the conversion of the existing analog microwave backbone equipment to digital equipment and \$3.8 million for statewide building projects consisting of truck stations, salt storage facilities, cold storage facilities and Mankato headquarters site work. In addition, the amendment appropriates \$3.383 million from the trunk highway bond proceeds account for repair and renovation of the Dept. of Transportation building in the Capitol Complex and \$15.3 million from the trunk highway bond proceeds account for a new district headquarters facility in Mankato. The amendment was adopted and the bill advanced to the Finance Committee.

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### **Schedule available online**

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0322.htm>

### **MyBills system available**

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>



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# Senate Briefly

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Page 2 Highlights

Page 6 Committee update

**Two-year-old Madeline Mahoney and her father, Dennis Dischinger, of Minneapolis, joined over 3,000 people in front of the Capitol, Thurs., Mar. 26, in protest of a proposed state constitutional amendment defining marriage as a union between a man and a woman.**

**Photo by David J. Oakes**



March 26, 2004

# Senate Highlights

## Constitutional amendment for natural resources advanced

A bill proposing a constitutional amendment to dedicate one-fourth of one percent of the sales tax collected each year for natural resources purposes was heard at the Thurs., Mar. 25, meeting of the Environment, Agriculture and Economic Development Budget Division. S.F. 401, carried by Division Chair Dallas Sams (DFL-Staples), creates a heritage enhancement fund, a parks and trails fund and a clean water fund. In addition, the measure establishes a Heritage Enhancement Council and a Clean Waters Council.

Under the measure, 40 percent of the funds would be directed to the heritage enhancement fund for improvement, enhancement and protection of the state's fish, wildlife and habitat, 30 percent of the funds would be directed to the parks and trails fund for parks, trails and zoos, and 30 percent would be directed to the clean water fund for protection and restoration of lakes, rivers, streams, wetlands and groundwater. The measure was advanced to the full Finance Committee.

In other action, the division heard three additional bills. S.F. 1942, also carried by Sams, extends the interest-free status of methane digester loans and expands the purposes for the loans. S.F. 2275, authored by Sen. Scott Dibble (DFL-Mpls.), appropriates \$194,000 for grants to the Minneapolis Employment Center for people who are deaf and hard of hearing. S.F. 2289, sponsored by Sen.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

Julie Rosen (R-Fairmont), authorizes the commissioner of employment and economic development to transfer \$1.325 million from the centers for independent living program to the vocational rehabilitation program to match federal vocational rehabilitation funds. All three measures were laid over for inclusion in the division's omnibus bill.

## Death penalty denied

A proposal to put the return of the death penalty before Minnesota voters this fall was defeated, Wed., Mar. 24. Members of the Crime Prevention and Public Safety Committee, chaired by Sen. Leo Foley (DFL-Coon Rapids), defeated the bill on a 2-8 roll call vote.

S.F. 1860 is not a simple bill, said Sen. Mady Reiter (R-Shoreview), its chief author. Reiter said she was spurred to introduce the bill last year after two sets of murders committed by Jonathan Carpenter and Christopher Earl. "There are people among us who are morally bankrupt," Reiter said. They know right from wrong, she said, but they commit heinous crimes nonetheless. This bill is not about revenge, but about justice for victims and their families, Reiter said. She said interviews conducted with prisoners indicate that the death penalty does have a deterrent effect. Most inmates will openly say they don't want to live in a state with the death penalty, she said. Reiter said Minnesotans often exceed expectations and bend over backwards to make sure the state does the right things. She said the measure is fair, not targeted at any specific racial or social group, and will be applied fairly.

If voters approve the constitutional amendment, the bill immediately starts the ball rolling to implement the death penalty. S.F. 1860 creates a Capital Punishment Policy Commission and requires it to develop a best practices capital punishment model policy and death penalty prosecutorial charge guidelines. The bill addresses prosecutorial notice, which offenders or offenses are death penalty eligible, how the decision to sentence an offender to death occurs, alternatives to the death penalty, appellate judicial review of death sentences, commutation of death penalty sentences and state responsibility for the fiscal costs related to the death penalty.

Sue Ann Bleess said murderers act like God when they make choices for their victims. Bleess, whose friends were killed by Carpenter and Earl, said that if individuals can legally defend themselves with lethal force, juries of 12 people should be allowed to exact the ultimate justice. "If you choose to take a life, shouldn't you know that your life might also be taken in the end?" asked Amanda Lenore. Pequot Lakes Police Chief Mark Forsberg said he moved from the Metro Area to work on a small town police force. Times have changed rapidly, he said, and bad things really do happen in small communities. The death penalty is a tool to be used in the right circumstances, Forsberg said.

Representatives of religious groups spoke against the bill. "We should confront crime without vengeance," said Archbishop Harry Flynn, Minnesota Catholic Conference. There are alternative solutions that do not require taking another human life, he said. States with the death penalty have higher homicide rates than non-capital punishment states, Flynn said. The fact that 113 innocent people have been released since 1973 begs the question of how many innocent people are still sitting on death row or have been executed, he said. Bishop Peter Rogness, Evangelical Lutheran Church of America, Rabbi Aaron Brusso, Adath Jeshurun Congregation, and Rev. David Everett of the Minnesota Baptist Convention also raised religious, social justice and public policy concerns about the death penalty.

Family members of some victims said the death penalty does not provide closure. Don Streufert, whose daughter was murdered, said there is no sweetness in revenge. The death penalty is a response to fear, he said. James Lym, who also lost a child to murder, said restorative justice changes criminals' lives for the better.

Sarah Griffith, whose cousin was executed for rape and murder in Missouri, said executions affect the families of the criminals. "My cousin Paul is dead and part of me is dead, too." The first person in the United States freed from death row because of DNA testing, Kirk Bloodsworth, said wrongly subjecting innocent people to death row creates two victims. Prosecutors and public defenders





**A crowd of over 3,000 gathered on the front steps of the Capitol, Mon., Mar. 22, to show their support for a proposed state constitutional amendment defining marriage as a union between a man and a woman.**

Photo by David J. Oakes

also spoke against the bill, raising concerns about the costs of trying a death penalty case, especially on an already stretched judicial system.

DNA is an important part of our criminal law and a strong safeguard against wrongful convictions, said Sen. Dave Kleis (R-St. Cloud). The question should be put to the voters, he said. Kleis said that opponents of the death penalty who discuss the details of executions or the injuries caused to innocent death row inmates forget to talk about the victims.

However, Sen. David Knutson (R-Burnsville) said the state can be tough on crime without imposing the death penalty. "The thing that I cannot justify in my mind, in the state that I live in, or

in the society that I want to raise my kids in is the intentional taking of a life as punishment," Knutson said.

### **Motion to withdraw bill fails**

An attempt to accelerate the legislative process for a bill proposing a constitutional amendment defining marriage failed as Senators met in session, Mon., Mar. 22.

Sen. Michele Bachmann (R-Stillwater) moved to withdraw the bill, S.F. 2715, from the Judiciary Committee and place it on the Senate's General Orders. Bachmann said the bill is scheduled to be heard by the committee Fri., Mar. 26. Over the weekend, Bachmann said, she heard from reporters that the bill

has already been targeted for certain defeat. The public has deep concerns about this measure, she said, and the Senate needs to take it up. Bachmann noted that the day of the hearing is the last day it can be heard, under committee deadlines. Also, under Rule 5.1, after the committee deadline has passed, a motion to remove the bill from committee requires 41 votes, instead of 34 votes. Bachmann noted the importance of another date. She said May 17 is both the deadline, placed by the Massachusetts Supreme Judicial Court, for the legalization of same-sex marriage in Massachusetts and the constitutional deadline for the adjournment of the Minnesota Legislature. Because marriage is a funda-



# Senate Highlights



**Rachel Sobotka, left, pauses to wipe away a tear as she tells members of the Crime Prevention and Public Safety Committee, Wed., Mar. 24, about the loss of a close friend to a triple homicide in Long Prairie last year. Sobotka testified in support of a bill sponsored by Sen. Mady Reiter (R-Shoreview), right, to re-establish the death penalty in Minnesota.** Photo by David J. Oakes

mental issue for our society, she said, it is imperative that we take this measure up.

This bill was expected to be introduced early in the session, said Sen. Don Betzold (DFL-Fridley), chair of the Judiciary Committee. A letter went out to all members asking that bills needing to be heard first in the Judiciary Committee be introduced in the first month of the session, he said, in an effort to manage time effectively. Anticipating a bill on this issue, Betzold said, he tried to arrange the committee's schedule to accommodate an early hearing. "We cannot schedule a bill that has not been introduced," he said. The bill was introduced in the other body on March 4 and S.F. 2715 was introduced a week later, he said. By that point, Betzold said, the committee had a full agenda of other bills scheduled. People want to be heard on the bill, he said, and a committee hearing is the place for that. Betzold said he has assured both

sides of equal time, without interruption from committee members.

Members then approved, on a 35-31 roll call vote, a motion, made by Betzold, to close debate. The Bachmann motion was defeated, 31-35. Later in the session, Bachmann said the delay in introducing the bill was required to respond appropriately to activity in Massachusetts, California and other states. "We weren't dragging our heels," she said. Betzold replied that amendments have been accepted in the other body and would have been appropriate in the Senate as the national situation progressed.

In other action, several bills were granted final passage on the Consent Calendar.

S.F. 1653, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), clarifies plat and survey approval requirements and the process for preserving section and quarter-section markers. S.F. 2386,

authored by Sen. Scott Dibble (DFL-Mpls.), provides a bidding exception for certain federally subsidized transit facilities. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) carried S.F. 2647, which authorizes the city of St. Paul to participate in the creation of, and to contract with, a nonprofit organization for management and operation of the RiverCentre complex. S.F. 1928, sponsored by Sen. Steve Dille (R-Dassel), changes the board membership of the Minnesota Comprehensive Health Association and requires the association to post notice of the reasons for a change in writing carriers.

Sen. Leo Foley (DFL-Coon Rapids) carried a bill, S.F. 2357, defining collateral sanctions and requiring the creation of a chapter in Minnesota Statutes containing cross-references to collateral sanctions located throughout the statute books. S.F. 1671, sponsored by Sen. Mee



Moua (DFL-St. Paul), places the term "assisted living facility" into statute as a formal means of referring to registered housing-with-services establishments. Sen. Geoff Michel (R-Edina) carried a bill, S.F. 2300, adjusting the boundary between districts 41A and 41B. H.F. 307, carried by Sen. David Hann (R-Eden Prairie), provides an exemption for noncommercial signs from ordinances that limit the number of noncommercial signs. Sen. Linda Berglin (DFL-Mpls.) sponsored S.F. 1604, which requires the commissioner of human services to provide rate notices within 60 days after receiving the information needed to compute the rate adjustment. Sen. David Tomassoni (DFL-Chisholm) carried two measures. S.F. 1958 authorizes townships to make payments by electronic or wire transfer and accept payment by credit card. S.F. 2772 permits the city of Hoyt Lakes to extend its zoning and subdivision regulations within part of the town of White subject to the town's consent.

Additionally, Senators granted concurrence and repassage, 65-0, to S.F. 1626. Carried by Wiger, the bill modifies provisions relating to storm and sanitary sewer authorizations.

### Outsourcing bill considered

Members of the Senate met in floor session Thurs., Mar. 25, and continued the debate on the bill, S.F. 1792, to prohibit outsourcing of state agency contracts. Sen. Thomas Bakk (DFL-Cook) offered an amendment adding more conditions under which an agency may award contracts to companies that outsource the work. Under the amendment, a waiver may be granted to a contractor that demonstrates the employees will be paid total compensation, including benefits, at least equal to 110 percent of the federal poverty guideline for a family of four. In addition, the amendment requires the employer to pay retirement benefits that include an employer contribution and to conduct a comprehensive security assessment if the contractor retains personally identifiable information on Minnesota residents. Finally, the amendment requires the commissioner to publish notice of the waiver and the contract in the State Register and requires the commissioner to develop and implement policies, procedures or standards that address the consideration of the use of workers in the

state to perform services under state contracts in making best value determinations. Bakk said the amendment simply requires the same standards that are used when Minnesota companies request assistance from the state.

Sen. Satveer Chaudhary (DFL-Fridley) spoke in support of the amendment. "We can do a lot better in creating jobs in Minnesota than engaging in protectionism," Chaudhary said. He said, "The best way to create jobs is to use a Minnesota preference, but the amendment goes further in achieving the goal of job creation than the original bill."

However, Sen. Warren Limmer (R-Maple Grove) opposed the amendment. "I think the amendment invalidates just about every employer in the third world because of the lack of retirement and health care infrastructure. We could be providing a meaningful job or service to those who live in third world countries without the amendment."

Bakk countered that the amendment is simply outlining a minimum standard if Minnesota tax dollars are going to be used to purchase goods and services. "It is the same standard we hold Minnesota employers to when they ask for assistance," he said.

The amendment was adopted on a 45-19 roll call vote.

Sen. Dick Day (R-Owatonna) offered an amendment to prohibit the Iron Range Resources and Rehabilitation Board from having contracts with foreign entities. Bakk said the IRRRB has a \$31,000 contract with a firm in Germany to study steel making technology—technology that is not available in this country. The amendment failed on a 29-35 roll call vote.

The bill was then granted final passage on a vote of 42-19. A few moments later, Sen. Pat Parseau (R-Farmington) requested a member to ask for reconsideration of the bill because her vote did not register. The vote was retaken and the bill passed on a 44-19 roll call vote.

In other action, members granted final passage to a bill, H.F. 2878, designating Oct. 16 as Dr. Norman Borlaug World Food Prize Day. Chief Author Ellen Anderson (DFL-St. Paul) said it was important to pass the bill because it was Borlaug's 90th birthday. Anderson said Borlaug has been internationally recognized for his work in agriculture and that

it has been said he is responsible for saving more lives than any other person in history. Anderson said he was awarded the Nobel Peace Prize in 1970 and is still working to improve agricultural production and prevent hunger throughout the world. The bill was granted final passage on a unanimous 64-0 roll call vote.

S.F. 40, a bill providing for the recovery of damages resulting from graffiti, was taken from the table. Sen. Linda Berglin (DFL-Mpls.), chief author of the bill, moved the Senate concur with House amendments and grant the bill final passage. Berglin said the other body repealed a provision increasing the limit for parental liability for damages caused by a minor. The Senate passed the bill on a 63-0 roll call vote.

Sen. Dave Kleis (R-St. Cloud) moved to withdraw S.F. 1565, the initiative and referendum bill, from the Elections Committee and place the measure on General Orders. He said the citizens of Minnesota should have a voice on issues the Legislature fails to act upon. Sen. Linda Higgins (DFL-Mpls.) urged members to defeat the motion. "The bill had lots of discussion in committee and failed to be approved," she said. The motion failed 25-28.

Two measures on the Consent Calendar were given final passage. S.F. 2626, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), extends the Veterans Homes Board's leasing authority in Hastings. H.F. 2105, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides for the name of the office of the commission of Iron Range Resources and Rehabilitation Board.

The Senate recessed for several hours in order for the Rules and Administration Subcommittee on Bill Referral and full Rules and Administration Committee to meet to decide the referral of two bills. S.F. 3003, sponsored by Sen. Don Betzold (DFL-Fridley), proposes a constitutional amendment restricting the power of the judicial branch to define marriage or its equivalent. The measure was referred to the Judiciary Committee. S.F. 2077, carried by Sen. Steve Kelley (DFL-Hopkins), sets forth a stem cell research policy. The measure was directed to the Finance Committee. A third bill, pulled into the committee because it was thought measure had no companion, was directed to the floor. The measure, S.F. 2819, was sponsored by Sen. Mee Moua (DFL-St. Paul).

# Committee update

## Agriculture, Veterans and Gaming

### Appointments approved

The Agriculture, Veterans and Gaming Committee met Mon., Mar. 22, to consider several gubernatorial appointments. The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), approved the appointment of Gene Hugoson as commissioner of the Dept. of Agriculture. Hugoson was first appointed by Gov. Arne Carlson in 1995 and was reappointed by both Gov. Jesse Ventura and Gov. Tim Pawlenty. He spoke for some time on the current activities of the department and plans for the future.

Members also approved the appointments of Mahesh Kumar and John P. Whitten to the Board of Animal Health. The appointments of Lisa Heggedahl and Julian Sjostrom to the Minnesota Rural Finance Agency were also approved. All the appointments now go to the full Senate for confirmation.

## Commerce

### Homeowners protection gains

Members of the Commerce Committee approved a consumer protection bill when the panel met Mon., Mar. 22. The measure, which specifically provides protections for homeowners, was advanced to the State and Local Government Operations Committee.

S.F. 2248, carried by Committee Chair Linda Scheid (DFL-Brooklyn Park), provides for continuing education programs for building inspectors, requires the commissioner of commerce to adopt standards for continuing education for building contractors and requires that a homeowner who successfully sues a builder of a new home or a remodeler under the statutory homeowner's warranty be awarded attorney fees and expenses.

Several homeowners shared their experiences and difficulties in dealing with mold in their homes. Dorothy Morris of Woodbury said current law provides many loopholes for owners to fall through and makes it difficult to achieve resolution. Everyone blames everyone else, from builders to window installers to stucco manufacturers, she said.

Sen. William Belanger (R-Bloomington) said the bill does not fix the fundamental problem with the

building. Houses need to be allowed to breathe again, he said. Scheid acknowledged the building code needs revision, but said the measure represents a first step to addressing the issue.

Members adopted an amendment, offered by Scheid, providing for a homeowner's guide developed by the commissioner of commerce. The guide must include information on moisture problems in homes, homeowner warranties, required disclosures regarding the history and condition of property, pre-purchase inspections and other sources of information for homeowners. Under the amendment, the guide must also include space for owners to record important home information and the commissioner must encourage homeowners to transfer possession of the guide along with the home.

Sen. Lawrence Pogemiller (DFL-Mpls.) offered two amendments. One provides a property tax credit for homeowners whose homes have suffered mold damage. The other amendment provides for written, binding estimates to be made to homeowners by contractors. Both amendments were adopted.

In other action, the panel approved three additional bills. S.F. 2453, carried by Sen. Becky Lourey (DFL-Kerrick), updates provisions relating to weights and measures regulations. The bill was recommended for placement on the Consent Calendar. S.F. 2379, authored by Scheid, puts existing rules relating to real estate brokers and salespersons into statute. The bill was re-referred to the Judiciary Committee. Another Scheid bill, S.F. 2607, establishes a Division of Insurance Fraud Prevention in the Department of Commerce and provides funding for the new unit. Under the bill, insurers must pay a fee—ranging from \$400 to \$4,000—based on total assets and total written Minnesota premium. The measure was advanced to the State and Local Government Operations Committee.

### Omnibus bills gain

The omnibus liquor bill and the omnibus insurance bill were both approved and advanced to the Senate floor at the Wed., Mar. 24, meeting of the Commerce Committee. The panel, chaired by Sen. Linda Scheid (DFL-Brooklyn Park), heard several additional bills at the last hearing of the session.

S.F. 2696, sponsored by Sen. Sandra Pappas (DFL-St. Paul), makes numerous changes in the state's liquor laws. Members adopted several amendments to reflect discussions that had taken place since the bill had been approved in subcommittee. The bill establishes parity between brewpubs and micro-brewers by raising the production limit for micro-breweries from 2,000 to 3,500 barrels per year and increasing the license fee to \$500. Members adopted an amendment to allow a micro-brewer to obtain an off-sale license to sell 64-ounce containers known as growlers. The committee also adopted an amendment providing that brewers who manufacture more than 3,500 barrels of malt liquor a year pay a \$2,500 license fee. Pappas said the amendment is revenue neutral. In addition, members adopted an amendment allowing strong beer made in Minnesota to be sold at the Minnesota State Fair. The bill allows Minnesota wine to be sold at the State Fair and the amendment adds strong beer. Currently, only 3.2 beer is sold at the fair. A final amendment, authorizing a municipality to issue a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer.

The omnibus insurance bill, S.F. 2884, sponsored by Sen. Dan Sparks (DFL-Austin), was also amended several times before gaining approval. Sparks said originally the bill was primarily a technical department bill, but that he was offering amendments that contained some policy matters. The first amendment, which the committee adopted, made a number of housekeeping changes in the provisions relating to insurance.

The second amendment contained provisions adopted in the other body. A number of people spoke to the changes, outlining the various provisions. One provision specifies that if the termination of an agency contract is the ground for nonrenewal of a policy of homeowner's insurance, the company must provide notice to the policyholder that the policy is not being renewed due to the termination of the company's contract with the agency. Another provision, which sparked considerable discussion, allows an HMO to move the assessment for Minnesota Comprehensive Health Association from administrative costs to medical costs for



loss ratio calculation purposes. One provision provides that a policyholder cannot be penalized because of an inquiry about a hypothetical claim or a potential claim. Another provision sets forth procedures for the self-insurer's security fund to pay workers compensation claims from a company that has gone out of business. Finally, the amendment contains a provision providing for a Medicare Supplement Working Group. The panel adopted the amendment. A third amendment outlines procedures for notifying insureds or claimants for claims made under a policy of accident and sickness insurance and for claims submitted under a health plan. The amendment was also adopted. An amendment specifying that benefits for individuals age 19 up to the limiting age for coverage of the dependent are limited to inpatient or outpatient expenses arising from medical and dental treatment that was scheduled or initiated prior to the dependent turning age 19, was also adopted. Finally, members adopted an amendment, offered by Sen. Brian LeClair (R-Woodbury), allowing companies to offer both a high deductible health plan and a medical savings plan. The bill was then advanced to the Senate floor.

In other action, the committee approved an additional four bills. S.F. 2587, carried by Sparks, establishes risk-based capital requirements for health organizations, establishes the minimum standard of valuation for health insurances and enacts model regulations of the National Association of Insurance Commissioners. S.F. 1944, also sponsored by Sparks, authorizes the Joint Underwriting Association to issue medical malpractice insurance policies to long-term providers who are members of an activated class with limits not to exceed \$2 million for each claimant and \$4 million for all claimants in a year provided the association find the applicant needs the higher limits. S.F. 2078, authored by Sen. Dallas Sams (DFL-Staples), permits service cooperatives to provide group health coverage to private employers. All of the bills were advanced to the Senate floor.

Members also reconsidered a bill, S.F. 1408, authored by Sen. Geoff Michel (R-Edina), that had failed in a previous hearing. Michel offered an amendment specifying that all arbitration awards must be itemized and that a partial award of medical benefits rendered by an arbitrator

and paid by an obligor will be considered full and final payment. The amendment also requires the itemization of medical services claims to include the names and addresses of all health care providers whose charges are the subject of the claims. The amendment was adopted and the bill advanced to the full Senate.

## Crime Prevention and Public Safety

### False reporting bill discussed

A bill, S.F. 1726, making it a crime to falsely report police misconduct was debated extensively at the Mon., Mar. 22, meeting of the Crime Prevention and Public Safety Committee. The bill, sponsored by Sen. Mike McGinn (R-Eagan), also provides that informing a law enforcement officer that a crime has been committed or otherwise providing false information to an officer, while knowing that it is false, is a crime. McGinn said, "In the operation of a police department, nothing is more important than the trust of the public and a key element of that trust is integrity. A false claim against an officer can severely damage the public's relationship with the department." McGinn also said charges are aggressively investigated, often at great cost, particularly to public confidence. William Gillespie, Minnesota Police and Peace Officer Association, said false reporting against an officer causes confusion and a loss of time and resources. Deputy Chief Steve Johnston, Rochester Police, said a false charge of misconduct deeply impacts officers and there needs to be some avenue of redress.

Speaking in opposition to the bill, Jill Clark, a civil rights attorney, said to be fair, the bill should contain remedies for a false misconduct charge against a citizen, because the repercussions are the same for a falsely accused citizen. Clark said the bill infringes on several constitutional rights and that a disproportionate number of claims involve members of minorities. Michelle Gross, Communities United Against Police Brutality, said the bill would have a chilling effect on complaints against police. She said that complaints against police already have a history of not being upheld and that the bill would make it even more difficult.

The bill was laid over for further discussion.

Members also discussed, but took no action on, a bill making changes to the CriMNet law. S.F. 2727, sponsored by Committee Chair Leo Foley (DFL-Coon Rapids), makes a number of technical changes to provisions relating to CriMNet. Foley offered, and the panel adopted, an amendment making changes in the composition of the CriMNet Policy Board. The amendment specifies that two members, representing and appointed by the Criminal and Juvenile Justice Task Force, be appointed to the board and that the commissioner of finance and one member appointed by the Supreme Court be removed. Sen. Jane Ranum (DFL-Mpls.) said the amendment was more substantive than a technical amendment and asked that the bill be laid on the table.

In other action, the committee advanced several additional bills. S.F. 2640, sponsored by Foley, establishes an expedited process for the nonconsensual collection of a blood sample from an inmate when a corrections employee is significantly exposed to the potential transfer of a bloodborne pathogen. The measure was approved and sent to the Senate floor. S.F. 2790, carried by Foley, authorizes the Dept. of Corrections Fugitive Apprehension Unit to share in asset forfeitures under the forfeiture law. The bill was approved and sent to the Senate floor.

H.F. 1721, also carried by Foley, authorizes a county board to require that each person who is booked at a county or regional jail pay a fee of up to \$10 to the sheriff's department of the county. Current law specifies that the booking fee is charged to those persons who are confined in the county or regional jail. The bill was approved and sent to the full Senate. S.F. 1943, sponsored by Sen. James Metzen (DFL-South St. Paul), sets criminal penalties for the unauthorized use of audiovisual recording devices in motion picture theaters. The bill was approved and re-referred to the Judiciary Committee.

The committee recommended four bills for placement on the Consent Calendar. S.F. 1614, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), requires restitution for harm caused to a service animal by a dog. The measure also provides for criminal penalties and clarifies civil liability. S.F. 2387, authored by Sen. Mee Moua (DFL-St. Paul), treats

# Committee update

probation officers the same as correction officers for purposes of felony fourth degree assault. The measure provides for a gross misdemeanor penalty and a fine of up to \$3,000 if the assault inflicts demonstrable bodily harm or if the person intentionally throws or otherwise transfers bodily fluids or feces at or onto a peace officer. The measure provides for a felony penalty and a fine of up to \$4,000 if the assault inflicts demonstrable bodily harm or if the person intentionally throws or otherwise transfers bodily fluids or feces at or onto a probation officer or other qualified person employed in supervising offenders. S.F. 2347, sponsored by Sen. Wesley Skoglund (DFL-Mpls), provides procedures for retaking and reincarceration of parolees and probationers under the Interstate Compact of Adult Offender Supervision and delays the repeal of the old compact until 2006. S.F. 2499, also carried by Skoglund, authorizes a five-level correctional facility classification system.

## Early Childhood Policy and Budget Division

### Constitutional amendment ok'd

An amendment to the Minnesota Constitution expanding the state's mandate to educate Minnesotans gained the approval of members of the Early Childhood Policy and Budget Division, Tues., Mar. 23.

S.F. 2033, sponsored by Sen. John Hottinger (DFL-St. Peter), places a question on the 2004 general election ballot asking voters to approve a requirement for the state to provide for early childhood education. The amendment to the constitution, in the bill, requires the state to provide for the education of children through age five, in addition to the existing mandate to establish a general and uniform system of public schools. Hottinger, who also chairs the panel, said Legislators are facing a host of proposed constitutional amendments this year. The current mandate in the consti-

tution gives education a special place in Minnesota, he said. Hottinger said we know the importance of early childhood education and development. This is the best investment we can make in our state, he said. The proposed amendment does not require a specific legislative approach to providing early childhood education, he said. Early childhood education, however, is often left at the starting gate when policymakers set priorities, Hottinger said, and a constitutional mandate for early childhood education provides a leg up.

Constitutional amendments should not be placed on the ballot because Legislators support the merits of the issue, because that is a question for the electorate, said Sen. Bob Kierlin (R-Winona). Rather, he said, two criteria must be met to put questions on the ballot: the proposal is a true constitutional question and there is significant interest in the issue among voters. S.F. 2033 passes the first test, he said, but the public interest threshold may not yet be met. Hottinger



*John Currie with the Minnesota Center for Environmental Advocacy explains to members of the Environment, Agriculture and Economic Development Budget Division, Tues., Mar. 23, that his old television set is now considered hazardous waste due to its lead content. Sen. Linda Higgins (DFL-Mpls.), right, presented a bill to help state residents properly dispose of old television sets and computer monitors.*

Photo by David J. Oakes



said it is difficult to evaluate how any question meets the second criterion, but he said early childhood education is represented in press coverage, institutional support and user satisfaction.

Dr. Karen Effrem, a pediatrician representing Ed Watch, said there are significant scientific and policy concerns with the research underlying the support for early childhood education. She highlighted research pointing to the negative impacts of working mothers and out-of-home care. Polls show that parents prefer changes to tax laws promoting stay-at-home parenthood, she said, and recent census figures show an increase in the numbers of stay-at-home mothers. Group education weakens family bonds, Effrem said, and dehumanizes children by treating them as human capital. Hottinger said the proposed amendment does not mandate any specific form of early childhood education. The Legislature has the flexibility to ensure early childhood education in numerous forms, he said.

S.F. 2033 was approved and advanced to the full Finance Committee.

## Education

### Alternative training discussed

The Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), met Tues., Mar. 23, to consider several bills for inclusion in the omnibus policy bill.

Members discussed a bill, S.F. 2109, providing an alternative teacher training program for qualified professionals. Sen. David Hann (R-Eden Prairie), chief author of the measure, said the bill is a way to attract mid-career individuals to the teaching field. In addition, Hann said, the measure is also a way to attract more minorities to the field.

The bill provides that the program may be offered in any instructional field and lays out the requirements for someone to participate in the program. Under the bill, the applicant must have a bachelor's degree from an accredited four-year postsecondary institution, have an undergraduate major or post baccalaureate degree in the subject to be taught, have a minimum of five years of professional employment in a subject area related to the subject area in which the applicant is seeking licensure and pass an examination of skills in reading, writing and mathematics.

Supporters argued the measure was one way to be more creative and get members of communities of color into the teaching field. Opponents said there are already alternative ways of obtaining a teaching license and that the quality of teaching might be compromised.

The measure was laid on the table for possible inclusion in the omnibus bill.

In other action, the committee referred one bill to the State and Local Government Operations Committee. S.F. 2202, sponsored by Sen. Jane Ranum (DFL-Mpls.), requires the commissioner of education to amend the rules governing the use of aversive and deprivation procedures to require that planned application of aversive and deprivation procedures only be instituted after completion of a functional behavior assessment and behavior intervention plan that is included in the individual education plan. The bill also requires school districts to report to the commissioner any use of emergency procedures and to register with the commissioner any room used for seclusion. The bill also specifies that a pupil may not be placed in seclusion except in an emergency in which no safe alternative intervention is available and then only as long as the emergency continues.

Ranum authored two additional bills. S.F. 2609, including a mental health community representative on a community transition team for youth with disabilities, was approved and recommended for placement on the Consent Calendar. S.F. 2605 requires a mental health screening when a student is suspended from school for more than 10 school days in a school year. The measure was laid over for inclusion in the omnibus bill.

The panel heard several additional bills and laid them over for possible inclusion in the omnibus policy bill. S.F. 708, sponsored by Sen. Steve Dille (R-Dassel), specifies that a school board that has declined to renew the coaching contract of a head varsity coach must give the coach timely notice. In addition, the bill provides that if the coach requests reasons for not renewing the contract, the board must give the coach its reasons within 10 days of receiving the request. S.F. 2221, sponsored by Sen. Sheila Kiscaden (IP-Rochester), modifies the swimming pool requirement for high school diving competitions. S.F. 2029,

carried by Sen. Gen Olson (R-Minnetrista), provides for a value added assessment program to measure growth in student academic achievement. S.F. 2794, authored by Sen. Geoff Michel (R-Edina), allows Sobriety High to limit admission to chemically dependent students who have completed a licensed treatment program. Several members expressed concern about the idea of restricting access to a public charter school, but the committee decided to lay the bill over for further consideration.

### Sports participation considered

Students participating in high school league sports could also participate in non-school sports during the season and throughout the year, under a bill heard by the Education Committee, Thurs., Mar. 25.

S.F. 2802 permits students to improve their athletic ability by having other opportunities to practice and compete, said Chief Author Linda Scheid (DFL-Brooklyn Park). Roxane Akradi, a senior at Eagan High School who has qualified for Olympic trials, said her high school swimming team only practiced six times a week. An outside club in which she participated, she said, practiced 11 times a week. To be more competitive and to have a chance at breaking records, Akradi said, extra practices and competition at a higher level are absolutely necessary. She said swimmers cannot practice alone, since pool time is at a premium. Scheid said parents are the best judges of students' limits. The state should not arbitrarily limit student accomplishment, she said.

David Stead, executive director of the Minnesota State High School League, said current rules permit students to get outside lessons during the season. He said the issue addressed by the bill was not raised with the league until very recently. League schools have been flexible in dealing with the issues that have arisen over the years, Stead said, and will respond to this issue as well. He urged the committee to trust the process used by the MSHSL. "When you assure me your process works, I have a hard time believing you," said Committee Chair Steve Kelley (DFL-Hopkins). If the process worked, Legislators would not have to introduce bills solving the problem for the league just to get a response out of the league, he said. The rule preventing

# Committee update

students from participating in outside activities appears designed to protect a coach's career record, not to protect students, Kelley said.

The bill was laid over for possible inclusion in the committee's omnibus education policy bill.

Members also considered three other bills. S.F. 2048, carried by Kelley, creates a demonstration project for equipping all students in a school with a wireless laptop. Another Kelley bill, S.F. 2975, provides grants for site-based achievement contracts and for implementing innovative school personnel methods. Both bills were approved for inclusion in the omnibus bill. S.F. 2680, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), specifies the duty of care of a regular route transit bus driver to passengers. Joel Carlson, Minnesota Trial Lawyers Association, said the bill sets different standards for students riding school buses and transit buses. Students should be equally protected when going to school, he said. The bill was laid on the table.

The panel then began the process of assembling the omnibus bill. S.F. 2026, carried by Kelley, is the vehicle for the omnibus bill. Members adopted several provisions heard earlier in the year into the omnibus bill. No final action was taken on the omnibus bill.

## Elections

### I&R amendment proposal fails

A bill that would amend the constitution to authorize initiative and referendum failed on a divided voice vote at the Fri., Mar. 19, meeting of the Elections Committee.

S.F. 1565, sponsored by Sen. Dave Kleis (R-St. Cloud), provides procedures to propose or repeal laws at general elections and sets forth the requirements for petitions to place the questions on the ballot. Kleis said, "Initiative and referendum gives the voters the opportunity, in the purest form of government by the people, to be a check on the Legislature." A number of other states have initiative and referendum, which is a way to allow the people to propose or reject laws. "Initiative and referendum make government more accountable," he said. Kleis also said the bill's provisions make it one of the strictest initiative and referendum bills in the country.

Supporters of the bill argued that initiative and referendum puts issues into the hands of the citizens and puts power back in the hands of the people. Jack Tomczak, representing Let Minnesota Vote, said "When there is gridlock in the Legislature, initiative and referendum gives the people a way to make things happen." Cam Gordon, Minnesota Green Party, said, "One of our core values is grass roots democracy and initiative and referendum is a direct application of democracy."

Opponents countered that issues are best resolved in the legislative arena. Nancy Witta, representing the League of Women Voters, said, "The problem with initiative and referendum is that voters have to vote yes or no. There is no possibility for amendment and debate is limited to the media." Mark McAfee, representing AFSCME Council 6, said, "We do have the power at the ballot box every two years with general elections. Often initiative and referendum involves a single issue that has been reduced to very simplistic terms."

In other action, the committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), did approve several bills. S.F. 2172 sponsored by Sen. Keith Langseth (DFL-Glyndon) and S.F. 2358, sponsored by Kleis, both propose an amendment to the constitution changing the age of eligibility to hold elective office from 21 to 18. Several students spoke in support of the bill. S.F. 2172 was advanced to the Rules and Administration Committee. S.F. 2358 was laid on the table.

S.F. 658, sponsored by Sen. Linda Higgins (DFL-Mpls.), requires distribution of voter registration forms to students who will be eligible to vote in upcoming elections. S.F. 2778, carried by Sen. Ann Rest (DFL-New Hope), eliminates duplicate campaign finance filings in Hennepin County. S.F. 452, authored by Sen. Linda Scheid (DFL-Brooklyn Park), eliminates the requirement for approval by the county auditor of an election conducted by mail. All three measures were approved and advanced to the Senate floor.

The members had an extensive discussion of a bill restoring voting rights to convicted felons who are under supervised release or probation after having served terms of incarceration. Higgins, chief author of the bill, said S.F.

309 changes the current law that limits the restoration of civil rights until after any incarceration or supervised release or probation is completed. Higgins offered an amendment to limit the restoration of civil rights to persons who are under supervised release or probation, but have not been incarcerated. However, members voted to lay the bill on the table.

## Environment and Natural Resources

### Six bills gain

Members of the Environment and Natural Resources Committee met Mon., Mar. 22, to consider several bills.

S.F. 1999, carried by Sen. Dan Sparks (DFL-Austin), expands an existing restriction on the use of fertilizers containing phosphorus. S.F. 2068, authored by Sen. Steve Dille (R-Dassel), prohibits planting trees over a drain tile that provides for the drainage of land owned or leased by another person, unless the person planting the trees receives permission from all persons who receive drainage benefits from the drain tile. Both bills were advanced to the full Senate. Committee Chair John Marty (DFL-Roseville) sponsored S.F. 2422. The bill provides for the management of polychlorinated biphenyl (PCB) waste. The measure was recommended for placement on the Consent Calendar.

Two bills were forwarded to the Finance Committee. S.F. 1997, sponsored by Sen. Carrie Ruud (R-Breezy Point), requires the use of the Environmental Quality Board as the responsible governmental unit in proposed actions on public waters bordering more than one county. The bill also requires an environmental impact statement if the proposed action is on public waters that border more than one county and the action includes a watercraft mooring capacity of 10 or more boats. Sen. Rod Skoe (DFL-Clearbrook) carried S.F. 2145, authorizing acquisition of 35-year or permanent easements under the Reinvest in Minnesota conservation reserve program. The measure also authorizes the sale of \$20 million in state bonds to finance the acquisitions.

S.F. 2583, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies the forest resources Interagency Information Cooperative and the State Timber Act. The bill was sent to the State and



Local Government Operations Committee.

One bill was discussed and laid on the table. S.F. 2644, sponsored by Sen. Gary Kubly (DFL-Granite Falls), requires the Department of Natural Resources to obtain permits for construction activities in watershed districts.

### Bills gain

Members of the Environment and Natural Resources Committee, chaired by Sen. John Marty (DFL-Roseville), met Wed., Mar. 24, to consider several bills.

S.F. 1693, sponsored by Sen. David Tomassoni (DFL-Chisholm), removes references to taconite from laws governing permits for deposition of fine tailings from minerals processing facilities into mine pits. S.F. 2299, carried by Sen. Thomas Bakk (DFL-Cook), expands enforcement procedures relating to petroleum storage tanks to include aboveground tanks at bulk plants. Both bills were recommended

for placement on the Consent Calendar.

Two other bills were sent to the full Senate. S.F. 1740, carried by Sen. Steve Kelley (DFL-Hopkins), provides for the consumptive use of groundwater in the cities of Golden Valley, Crystal and New Hope. S.F. 2621, authored by Sen. Julie Rosen (R-Fairmont), exempts from environmental impact statements ethanol plants in Greater Minnesota using less than 100 million gallons of water per year.

Sen. Tom Saxhaug (DFL-Grand Rapids) carried S.F. 2203, the omnibus game and fish bill. The bill will next be heard in the Finance Committee.

## Environment, Agriculture and Economic Development Budget Division

### Jobs creation bills heard

The Environment, Agriculture and Economic Development Budget Division

met Tues., Mar. 23, to consider several measures. Two of the measures, carried by Division Chair Dallas Sams (DFL-Staples), deal with programs to create jobs. S.F. 2591 creates a program to retain and create jobs by providing grants to eligible employers. Under the bill an employer is eligible if the employer can show that it will not be able to create or retain jobs without a grant because the employer is a start-up business, is in a short-term downturn of a business cycle or is expanding. Under the bill, retail or casino operations are not eligible for the grants. The measure specifies the grants be used in Greater Minnesota.

The second measure, S.F. 2954, appropriates \$250,000 for a statewide demonstration project of youth job skills development. The bill provides that the project, which may have crime intervention components, is to encourage, train and assist youth in job-seeking skills, workplace orientation and job-site



*Caroline Rice, foreground, of Shorewood, presents samples of drugs that have been prescribed for her children to treat respiratory ailments they have suffered because of mold as the result of water damage to her home. Sen. Linda Scheid (R-Brooklyn Park), background, presented a bill in the Commerce Committee, Mon., Mar. 22, to create the Homeowners Protection Act, which was spurred by homeowners such as Rice and others who have suffered hardship due to shoddy workmanship.* Photo by David J. Oakes

# Committee update

knowledge through coaching. In addition, the measure requires a 25 percent funding match from nonstate resources.

Both bills were laid over for inclusion in the division's omnibus bill.

In other action, the panel also approved a bill prohibiting the disposal of electronic products with cathode ray tubes in mixed municipal solid waste. The bill was approved last year, but needed to go through the committee process again. The measure requires manufacturers to establish permanent, accessible programs in Minnesota to collect, transport, and reuse or recycle electronic products and provides that the costs to collect, transport, and reuse or recycle electronic products are not recovered through an end-of-life fee to the consumer. The bill was laid over for possible inclusion in the omnibus bill.

S.F. 2363, authored by Sen. John Hottinger (DFL-St. Peter), provides specifications for review and waivers of 401 certification under the federal Clean Water Act. The measure also requires implementation of a voluntary professional wetland delineator certification program and modifies environmental review to take into account relevant local plans. The measure was laid over for possible inclusion in the omnibus bill.

## Finance

### Transportation bills advanced

The Finance Committee met Tues., Mar. 23, to take action on a number of transportation policy bills. All bills approved by the Transportation Policy and Budget Division must be advanced first to the full Finance Committee, even those bills with no financial implication. The division is one of two divisions that consider both policy and budget bills. As a result, the Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), moved rapidly through the agenda to refer the policy bills to another committee or the Senate floor.

S.F. 1639, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), provides for the removal and disposal of unauthorized or abandoned vehicles on private property used for servicing vehicles. S.F. 2680, carried by Sen. Yvonne Pretzner Solon (DFL-Duluth), specifies the duty of care of bus drivers to passengers. Both mea-

sures were re-referred to the Judiciary Committee.

S.F. 2178, authored by Sen. Michael Jungbauer (R-East Bethel), requires notice and a public hearing before the closure of a municipal airport. S.F. 2263, authored by Sen. Julianne Ortman (R-Chanhassen), makes a number of technical and housekeeping changes in provisions relating to transportation. S.F. 1798, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), provides that a county or town board must not make final payment on any road construction or improvement contract until the engineer has certified to the county board or town board that the work has been done. S.F. 2399, carried by Sen. Sharon Marko (DFL-Cottage Grove), repeals authorization for private toll roads and bridges. S.F. 2397, sponsored by Sen. Scott Dibble (DFL-Mpls.), requires the commissioner to prepare a toll facilities plan and prohibits noncompetitive provisions in facility development agreements that restrict or prohibit public transit. All five measures were re-referred to the State and Local Government Operations Committee.

All of the following bills were advanced to the Senate floor.

S.F. 1910, authored by Sen. Mark Ourada (R-Buffalo), makes technical corrections to conform state law to amended federal regulations relating to truck driver hours. S.F. 1788, sponsored by Sen. Dave Kleis (R-St. Paul), requires some applicants for license renewal to pass examinations and requires physicians to report driving-related physical or mental conditions to the commissioner of public safety. The bill specifies that an applicant must pass a written examination after incurring a conviction for one or more moving violations since the last previous license renewal and that an applicant must pass a road test after incurring three or more moving violations or after having been found at fault in two or more crashes. S.F. 1813, sponsored by Betsy Wergin (R-Princeton), allows volunteer firefighters to display blue lights on private motor vehicles. S.F. 1592, carried by Wiger, enacts the Safe School Zone Law and makes clarifying and technical changes.

S.F. 1584, sponsored by Wiger, prohibits the sale and unauthorized use and ownership of mobile infrared trans-

mitter devices to change traffic lights. S.F. 1674, authored by Sen. Brian LeClair (R-Woodbury), removes the length limitation from the definition of residential roadway. S.F. 1852, sponsored by Sen. Mady Reiter (R-Shoreview), requires vehicles to wait at railroad crossings until the roadway is clear. S.F. 1729, authored by Sen. Bob Kierlin (R-Winona), prohibits leaving a child under the age of nine unattended in a passenger vehicle. S.F. 457, sponsored by Sen. William Belanger (R-Bloomington), exempts garbage trucks and recycling vehicles from weight restrictions. S.F. 1954, authored by Sen. Ann Rest (DFL-New Hope), deletes the requirement for Regional Development Commission or Metropolitan Council approval of projects funded from the state transportation fund. S.F. 1953, carried by Rest, repeals the requirement that designation of natural preservation routes on county state-aid highways be reviewed by an advisory committee.

S.F. 2395, sponsored by Sen. Steve Murphy (DFL-Red Wing), provides that a peace officer assigned to a bomb squad unit may operate any vehicle or combination of vehicles while engaged in bomb squad duties. S.F. 2144, sponsored by Murphy, provides that a provisional license holder may not operate a motor vehicle with more than one passenger, except family members, or between the hours of midnight and 5 a.m. S.F. 2611, authored by Sen. David Knutson (R-Burnsville), prohibits the operation of a motor vehicle with a child between the ages of four and eight not properly fastened in a booster seat. S.F. 555, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), allows the two-way operation of snowmobiles on either side of highway right-of-way when authorized by the commissioner of transportation.

S.F. 2709, authored by Sen. Jane Ranum (DFL-Mpls.), requires a chapter on aviation planning in the state transportation plan. S.F. 2805, sponsored by Sen. Sean Nienow (R-Cambridge), prohibits young drivers from using cell phones. S.F. 2851, carried by Wergin, prohibits the issuance of a provisional driver's licenses to a person who has incurred a conviction for a crash-related violation. S.F. 2550, authored by Murphy, makes violation of the seat belt law a primary offense and requires all passengers to wear seat belts.



## Health and Family Security

### Massage therapist bill gains

The Health and Family Security Committee met Fri., Mar. 19, to wrap up consideration of bills originating in the Senate. The panel, chaired by Sen. Becky Lourey (DFL-Kerrick), approved all but one of the bills.

S.F. 689, sponsored by Sen. Linda Higgins (DFL-Mpls.), establishes a registration system for massage therapists and Asian bodywork therapists. The measure provides definitions, outlines required qualifications for registration, details prohibited conduct, outlines penalties and provides for rulemaking. The measure was approved and advanced to the Finance Committee. S.F. 2839, sponsored by Sen. Steve Kelley (DFL-Hopkins), exempts newly arrived refugees and asylees as defined by federal law from participating in the diversionary work program. The bill also provides that newly arrived refugees and asylees may enroll directly into the Minnesota Family Investment program (MFIP). The bill was approved and re-referred to the Finance Committee.

S.F. 2672, carried by Lourey, requires the implementation of the pharmaceutical care demonstration project. The project provides culturally specific pharmaceutical care to American Indian Medical Assistance recipients over the age of 55. The bill was approved and re-referred to the Finance Committee. A second bill, S.F. 2512, sponsored by Lourey was approved and re-referred to the State and Local Government Operations Committee. The measure makes changes to the Emergency Powers Act passed in 2002. The act sets up procedures for dealing with a public health emergency and the bill makes changes to liability protections for public health volunteers, emergency responders and provides employment protections for qualifying employees who have been in isolation or quarantine.

S.F. 2255, sponsored by Sen. Brian LeClair (R-Woodbury), phases out the nursing facility equal rates requirement. The bill allows facilities to charge private pay patient's the Medical Assistance rate plus an additional percentage. Under the bill, the rate is an additional two percent after July 1, 2004, four percent after July 1, 2005, six percent after July 1, 2006, and eight percent after July 1, 2007. After July 1, 2008, the equal rates requirement

would be eliminated. The bill was opposed by the Office of Ombudsman for Older Minnesotans and Karin Allen, representing AARP. The measure was defeated on a 2-5 roll call vote.

### School employee insurance gains

Members of the Health and Family Security Committee devoted most of the Tues., Mar. 23, hearing to discussion of a bill that creates a statewide health insurance plan for school district employees. S.F. 2491, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), requires that the insurance plan be available to all eligible employees of eligible employers and that eligible employers provide health coverage only through the plan. In addition, the bill creates a board to design the plan to provide the optimal combination of coverage, cost, choice and stability. Stumpf said the bill is aimed at providing relief to school employees being hit by rising health care coverage costs. Proponents said the measure would help support positions in addition to teachers and administrators. In addition, proponents said that a larger pool would result in financial savings. Opponents argued that the bill did not provide adequately for reserves and that rising health insurance costs need to be addressed in a manner that preserves local control.

Sen. Sheila Kiscaden (IP-Rochester) offered an amendment standardizing language in the bill, requiring three members of the board be appointed by the commissioner of commerce, and requiring the board to consider coordination with or the purchase of health plans through the Minnesota Comprehensive Health Association (MCHA). Under the amendment the MCHA board of directors may consider establishment of a separate plan to purchase coverage for those enrollees who are not high risk, including the public employees and provide that enrollee premiums include the MCHA surcharge. The amendment also set forth governance requirements for the board.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment to the amendment deleting the requirement that three members of the board be appointed by the commissioner of commerce. The amendment to the amendment was adopted, the amendment was adopted and the bill was re-referred to the Finance Committee.

In other action, the committee, chaired by Sen. Becky Lourey (DFL-

Kerrick), considered two additional bills. S.F. 2080, sponsored by Higgins, provides regulation for outpatient surgical centers and reporting requirements for diagnostic imaging facilities. The bill was advanced to the Senate floor. S.F. 2929, sponsored by Sen. Dave Kleis (R-St. Paul), specifies patient rights and limits civilly committed sexual psychopathic personalities and sexually dangerous persons from patients' and residents' bills of rights to ensure the safety and security of the treatment facility, staff, other patients and the public. The measure was re-referred to the Crime Prevention and Public Safety Committee.

### Tobacco regulations approved

A proposal to increase the regulation of tobacco sales gained the approval of members of the Health and Family Security Committee, Thurs., Mar. 25. The panel advanced the bill to the Tax Committee.

S.F. 1175, carried by Sen. Ellen Anderson (DFL-St. Paul), requires retailers accepting orders for a delivery sale of tobacco products to obtain a copy of appropriate government-issued identification from the purchaser, to receive payment via check or credit card, to verify the identity and age information of the purchaser and to provide the delivery service with the age of the purchaser. The retailer is also required to mark the outside of the package as containing tobacco products, under the bill. S.F. 1175 also imposes several mandates on the delivery service, including requiring the purchaser to be the addressee, requiring the addressee to sign for the package and requiring the delivery service to check the addressee's identification. The bill requires tobacco retailers making delivery sales to report monthly to the Dept. of Revenue the names and addresses of purchasers and the brands and quantities sold. The measure provides for civil penalties of up to \$10,000 for consumers who falsely identify themselves and of up to \$5,000 for other violations.

Anderson said the bill is modeled after a Maine law designed to restrict youth access to tobacco via online sales. She said the measure is a step back from earlier proposals that effectively banned online tobacco sales, and other delivery of tobacco to consumers, in Minnesota. Jeremy Hanson, Minnesota Smoke-Free Coalition, said the bill is also patterned

# Committee update



**Senators Sean Nienow (R-Cambridge), left, and Michael Jungbauer (R-East Bethel) exchange ideas during a recent meeting of the Environment and Natural Resources Committee.**

Photo by David J. Oakes

after legislation being considered in Congress to ensure that tobacco retailers and consumers do not avoid taxation by conducting business online.

Amber Backhaus, Minnesota Trucking Association, said delivery companies want to do their part to curb youth access to smoking. However, she said, S.F. 1175 treats deliverers as if they are responsible for the problem. The state and delivery companies already have methods in place for delivery of alcohol to consumers, she said. The extra requirements of the bill might force private delivery companies to stop delivering tobacco products, Backhaus said, leaving only the Postal Service to make the deliveries. She said the requirements should be pared back to require an adult signature and age verification by the delivery driver. Sen. Steve Kelley (DFL-Hopkins) offered an amendment addressing the association's concerns. The amendment removes the

requirement for the retailer to provide the deliverer with the age of the purchaser, does not require the purchaser to be the addressee and permits any adult to sign for the delivery, not just the addressee. The amendment also restricts the fines of up to \$5,000 to tobacco retailers or distributors. The amendment was adopted.

The bill does not provide for the data classification of the reports regarding tobacco purchasers, said Sen. Sheila Kiscaden (IP-Rochester). She said the provision may unduly expose consumers making private transactions. Kiscaden also said the \$10,000 fine is excessive for youths who use an adult's ID to buy tobacco. Anderson said the reporting requirement is similar to an existing requirement in federal law. Placing the requirement in state law gives the state power to enforce it, she said. The bill was approved and advanced to the Judiciary Committee.

However, Kelley later moved to reconsider the bill. He said he had consulted with the chair of the Judiciary Committee and learned that there was no need for the bill to go there. Kiscaden said it was rare for the Judiciary Committee to fail to review new civil penalties. The motion to reconsider was approved. Kiscaden then offered an amendment reducing the \$10,000 fine to \$1,000. She said individuals should not be exposed to a fine that is double that applied to retailers. The amendment was adopted and the bill was re-referred to the Tax Committee.

In other action, committee members, chaired by Sen. Becky Lourey (DFL-Kerrick), approved several other bills. S.F. 2844, carried by Sen. Thomas Bakk (DFL-Cook), contains the recommendations of the Workers' Compensation Advisory Council. Lourey said the bill was mistakenly sent to the committee. S.F. 2844 was



sent to the full Senate without recommendation.

S.F. 2103, sponsored by Sen. Dallas Sams (DFL-Staples), modifies the nursing facilities survey process. S.F. 2639, carried by Sen. Linda Higgins (DFL-Mpls.), permits members of the Council on Disability to participate in meetings by electronic means. Both bills were sent to the floor.

S.F. 2112, also carried by Higgins, establishes criteria to demonstrate that a charitable gift was not made to establish or maintain eligibility for Medical Assistance services. The bill was forwarded to the Finance Committee.

## Health, Human Services and Corrections Budget Division

### Public testimony heard

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), met Tues., Mar. 23, to hear public testimony on the governor's budget recommendations. The panel heard from representatives of trade unions, social service agencies, care providers, legal and religious groups and professional/trade associations.

### Budget overview continues

Members of the Health, Human Services and Corrections Budget Division, chaired by Sen. Linda Berglin (DFL-Mpls.), continued their consideration of the governor's budget recommendations, Wed., Mar. 24. The panel reviewed the budgets of the Departments of Health, Corrections and Human Services.

### Bills heard

A bill excluding certain home and community-based waiver, targeted case management and long term care services from the MinnesotaCare gross earnings tax gained the preliminary approval of members of the Health, Human Services and Corrections Budget Division, Thurs., Mar. 25. The bill, S.F. 2076, carried by Division Chair Linda Berglin (DFL-Mpls.), was recommended for inclusion in the division's omnibus bill.

In other action, division members heard, but took no action on, five additional bills. S.F. 1600, sponsored by Sen. Charles "Chuck" Wiger (DFL-North

St. Paul), permits a Medical Assistance payment rate increase for a Ramsey County nursing facility. S.F. 2923, authored by Sen. Rod Skoe (DFL-Clearbrook), authorizes a planned closure rate adjustment for a nursing facility in Becker County. S.F. 2318, carried by Berglin, modifies the provider tax paid by federally qualified health centers and health centers in Greater Minnesota. Sen. Becky Lourey (DFL-Kerrick) sponsored two measures. S.F. 1969 annually transfers \$1.19 million of the appropriation to the commissioner of health for fetal alcohol spectrum (FAS) disorder administration and grants to a statewide organization focusing solely on prevention of and intervention with FAS. S.F. 2124 reduces child care center licensing fees.

## Higher Education Budget Division

### Reports heard

Members of the Higher Education Budget Division met Tues., Mar. 23, to hear from two education groups. The panel is chaired by Sen. Sandra Pappas (DFL-St. Paul).

Representatives of the Midwest Higher Education Compact reviewed how the compact strives to serve institutions in its member states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin. The compact follows six goals: enhancing productivity by reducing administrative costs, encouraging student access and affordability, facilitating policy analysis, facilitating regional academic cooperation, promoting quality programs and encouraging innovation. Compact President Larry Isaak and James McCormick, vice chair of the compact, reviewed the compact's cost-savings initiatives, policy research and data analysis, electronic dissemination of information and minority faculty development activities, as well as the Midwest Student Exchange Program.

Members also heard from representatives of the Minnesota P-16 Education Partnership on proposals for easing students' transition from high school to higher education and for ensuring the availability of high quality teachers. The partnership is a coalition of groups representing all levels of education, from preschool to higher education.

## Scholarship programs considered

Two proposals creating scholarship programs were considered by members of the Higher Education Budget Division, Thurs., Mar. 25.

S.F. 3002, carried by Division Chair Sandra Pappas (DFL-St. Paul), creates a low-income scholarship program. To be eligible, students must be the first in their immediate families to attend college and must be enrolled at an institution in the Minnesota State Colleges and Universities system. The bill provides awards of \$2,000, with a lifetime maximum of \$4,000. Scholarship grants are awarded beginning with the lowest-income students in the state grant pool and working upwards along an income scale, until the funds available are exhausted.

S.F. 3004, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), creates a scholarship program for low-income nursing students. Priority is given, under the bill, to students who are residents of rural or urban Health Professional Shortage Areas, as determined by the Dept. of Health. The bill provides for annual awards of up to \$5,550 for tuition and fees, as well as \$800 for books and supplies, for students enrolled in public postsecondary institutions. Students enrolled in nursing programs at private institutions are awarded \$3,000 per academic year. The bill allows the award to be renewed up to three times, as long as the student is making satisfactory progress toward degree completion.

Panel members also heard a report from the group Growth and Justice. The report, entitled "Workforce First," focuses on putting the state on a path toward a strong economy and a decent standard of living for all Minnesotans. The division focused on the higher education recommendations in the report, including restructuring the state financial aid formula to help low-income and part-time students, adopting a program to encourage welfare recipients to attend college and encouraging online education by providing an incentive to businesses that pay for it for their employees. The report also recommends paying nonprofit training organizations for successfully moving low-wage workers up the ladder and expanding a state program in which businesses partner with postsecondary institutions to train employees in needed skills.

# Committee update

## Jobs, Energy and Community Development

### Telecom bills heard

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), devoted the Fri., Mar. 19, meeting to hearing a variety of bills relating to telecommunications. No formal action was taken on any of the bills.

S.F. 908, sponsored by Sen. Dallas Sams (DFL-Staples), deregulates independent telephone companies. S.F. 1115, also carried by Sams, modifies provisions for alternative forms of regulation of small telephone companies. S.F. 1936, authored by Sen. Scott Dibble (DFL-Mpls.), prohibits a telecommunications carrier from charging for long-distance service after a customer has requested the service be canceled. S.F. 1927, also sponsored by Dibble, prohibits billing for unauthorized charges from third-party service providers.

S.F. 2774, sponsored by Sen. Steve Kelley (DFL-Hopkins), requires instant credit for wrong information from directory assistance. S.F. 2331, authored by Kelley, changes cable franchise procedures and requirements. S.F. 2402, also carried by Kelley, expands the geographic boundaries for local calling within the state.

Three bills sponsored by Sen. Dan Sparks (DFL-Austin) were also heard. S.F. 2345 repeals a prohibition on telephone companies from requiring deposits in excess of \$50 for facilities furnished and requires that interest be paid on deposits. S.F. 2346 repeals a number of technical sections of Minnesota Rules governing telephone companies and the establishment and regulation of community calling plans. S.F. 2622 provides criminal penalties involving the transmission of commercial e-mail to a protected computer used exclusively by a state government or financial institution.

S.F. 2608, sponsored by Committee Chair Ellen Anderson (DFL-St. Paul), makes technical and clarifying changes to provisions regulating cable communications systems. S.F. 1862, carried by Sen. Michele Bachmann (R-Stillwater), provides consumer protections for wireless customers.

The committee did vote on two measures. S.F. 2898, authored by Sen. David Tomassoni (DFL-Chisholm),

establishes an enterprise account for revenues and expenditures associated with the Giants Ridge Recreation Area. The bill was approved and sent to the Senate floor. S.F. 1385, sponsored by Sen. Dick Day (R-Owatonna), prohibits broadcast employers from including noncompete provisions in employment contracts. The bill was also approved and advanced to the full Senate.

### JOBZ restrictions approved

Two bills limiting which businesses may qualify for tax incentives under the Job Opportunity Building Zones (JOBZ) program created last year cleared their first committee hurdle Mon., Mar. 22.

S.F. 2478, carried by Sen. Mee Moua (DFL-St. Paul), disqualifies retailers from JOBZ eligibility. Louis Jambois, Dept. of Employment and Economic Development, said the Senate version of the JOBZ proposal last year contained similar language that was not part of the final legislation. However, he said, the bill formalizes current practice in the department restricting retailers from eligibility. Buzz Anderson, Minnesota Retailers Association, told members of the Jobs, Energy and Community Development Committee that retail should not be singled out as a second-class job provider. Retail has been and will remain key to the state's economic success, he said. "A good job is a good job," he said, and many communities may want to lure retail to their business districts, depending on circumstances. S.F. 2478 was forwarded to the Tax Committee.

Committee Chair Ellen Anderson (DFL-St. Paul) sponsored S.F. 2957, which prevents businesses eligible for tax exemptions as waste tire cogeneration electric generating facilities from receiving the tax breaks provided by JOBZ. Only one proposed facility, near Preston, is eligible for the waste tire tax exemption. Anderson said the range of tax breaks afforded by the JOBZ program is not appropriate for a power plant that has generated significant controversy in the host community. Preston Mayor David Pechulis said the city has not approved including the plant in its JOBZ zone, but the plant is suing the city and may force it to include the plant in the zone. Katherine Attwood, Hugh Fendry and Bryan Van Gorp discussed the implications the tire-burning plant could have on

local health, farming and businesses. Anderson said the bill resolves two key policy questions: should the program be used to force a business on a divided community and should the state provide additional subsidies to energy generation facilities via JOBZ. However, Sen. Mark Ourada (R-Buffalo) said the bill puts the cart before the horse. He noted that for a business to be eligible for JOBZ subsidies, the proposal must be approved by three local entities—the county, city and school district—and entrance into a business subsidy agreement. The bill automatically makes the answer "no," he said, regardless of local decision-making. S.F. 2957 was approved and re-referred to the Rules and Administration Committee.

Members also approved a bill making changes to laws governing the One Call Excavation Notice System. S.F. 1268, carried by Sen. Dan Sparks (DFL-Austin), was advanced to the full Senate.

Anderson also authored a bill, S.F. 2854, providing for the recovery of stranded costs by thermal energy customers adversely affected by the Metropolitan Emissions Reduction Program. Representatives of the Rock-Tenn Company, which manufactures 100 percent recycled paper board and buys steam from the High Bridge plant in St. Paul, outlined their needs and the investments they have made in their business and a steam line between the High Bridge plant and their facility, which is located in the Midway area of St. Paul. About \$20 million of costs will be stranded when the High Bridge plants converts from coal to natural gas, said Larry Schedin, an engineer. Rock-Tenn Vice President Jack Greenshields said the company intends to build a biomass power generation facility on its manufacturing site. Chris Clark, Xcel Energy, said the bill is the wrong way to solve Rock-Tenn's problem. The company's contract to buy steam is with NRG, not Xcel, Clark said. Xcel ratepayers should not bear the burden of paying for Rock-Tenn's loss, he said. Beth Goodpaster, Izaak Walton League, said the bill sets an inappropriate precedent for the use of emissions reduction riders. Stranded cost recovery usually involves a taking by the state, Ourada said, but the emissions reduction plan is a voluntary action undertaken by Xcel. Rock-Tenn made a business decision to buy steam from a third party, he said. However, Anderson said the state helped along the



process leading to the conversion of the High Bridge plant. A motion to advance the bill failed on a 6-6 tie.

### **Benefits expansion okayed**

A bill extending unemployment benefits to two classes of laid-off employees gained the approval of members of the Jobs, Energy and Community Development Committee, Wed., Mar. 24. The panel, chaired by Sen. Ellen Anderson (DFL-St. Paul), sent the bill to the Finance Committee.

S.F. 2827, sponsored by Sen. Jane Ranum (DFL-Mpls.), extends unemployment benefits to military reservists who lost their jobs after being called to active duty after Jan. 1, 2003 and to Northwest Airlines mechanics who were laid off due to outsourcing of their work.

S.F. 2326, carried by Sen. Sandra Pappas (DFL-St. Paul), requires the Perpich Center for Arts Education to file an application for unemployment insurance coverage for certain unclassified positions and requires the commissioner of employment and economic development to approve the application. The bill was also sent to the Finance Committee.

Five measures were advanced to the full Senate. S.F. 2243, carried by Anderson, is an unemployment insurance housekeeping bill from the Dept. of Employment and Economic Development (DEED). Anderson also authored S.F. 2646, which updates provisions in the dislocated worker program. S.F. 2350, sponsored by Sen. Julie Rosen (R-Fairmont), addresses remaining issues relating to the merger of the Dept. of Economic Security into DEED. Sen. Thomas Bakk (DFL-Cook) carried a bill, S.F. 2009, transferring tourism development functions from DEED to a new office, Explore Minnesota Tourism. S.F. 2687, authored by Sen. Steve Kelley (DFL-Hopkins), provides that an assessment and appropriation for the purpose of establishing sustainable building guidelines for new state buildings and energy efficiency benchmarks for existing public buildings is effective retroactively to July 1, 2001.

## **Judiciary**

### **Nuisance claims bill gains**

A bill limiting the circumstances under which an agricultural operation

would be considered a nuisance was approved by members of the Judiciary Committee, Tues., Mar. 23. The panel, chaired by Sen. Don Betzold (DFL-Fridley), advanced the bill to the full Senate.

S.F. 2866, carried by Sen. Rod Skoe (DFL-Clearbrook), provides that an agricultural operation more than two years old is not considered a nuisance, as a matter of law, if it is located in an agriculturally zoned area, complies with applicable federal, state and county laws and regulations and operates according to generally accepted agricultural practices (GAAP). The bill defines GAAP as those practices commonly used by other farmers in the county or a contiguous county. Under the measure, agricultural operations in their first two years of existence are granted a rebuttable presumption that they are not nuisances if they meet the three criteria.

Paul Sobocinski, Land Stewardship Project, said the bill should use sound or best management, rather than generally accepted, practices. Using generally accepted practices as a standard, he said, does not encourage agricultural operations to do better. Sen. Julianne Ortman (R-Chanhassen) said the bill does the opposite. If agricultural operations do better and comply fully with the law, she said, they are protected from lawsuits.

In other action, committee members approved six additional bills. S.F. 2894, sponsored by Sen. Steve Kelley (DFL-Hopkins), authorizes the State Board of Investment to increase its participation in Minnesota-based venture capital investments. The bill classifies as public data the name of the entity in which the board invests or considers investing, the commitment amount, the funded amount of the commitment, market value, internal rate of return and age of the investment. Other financial or proprietary data is classified as nonpublic, under the bill. The measure was forwarded to the Finance Committee. S.F. 2819, carried by Sen. Mee Moua (DFL-St. Paul), is the Dept. of Human Rights technical and housekeeping bill. It was sent to the full Senate.

A bill authored by Sen. Lawrence Pogemiller (DFL-Mpls.) reduces the statutory complement of the Court of Appeals, District Courts, Tax Court and Workers' Compensation Court of Appeals upon the occurrence of a vacancy in any

of the courts. S.F. 1398, which also restores the statutory complements on July 1, 2007, was re-referred without recommendation to the Finance Committee. H.F. 2288, carried by Sen. Wesley Skoglund (DFL-Mpls.), eliminates a requirement for Conciliation Court cases that a judgment be docketed for at least 30 days in District Court. The bill was recommended for placement on the Consent Calendar. S.F. 2756 changes the religious reference from orthodox Hebrew to Jewish in kosher food labeling laws. The bill, carried by Sen. Richard Cohen (DFL-St. Paul), was sent to the floor. S.F. 1758, which amends provisions dealing with the presumption of paternity, was carried by Betzold. The bill was also sent to the full Senate.

The committee also considered two other measures. S.F. 2391, presented by Sen. William Belanger (R-Bloomington) for Chief Author Cal Larson (R-Fergus Falls), expands the Department of Commerce's ability to share information with other investigative agencies. The bill was laid over for possible inclusion in the omnibus data practices bill. S.F. 1976, carried by Sen. Ann Rest (DFL-New Hope), enacts the Uniform Conflict of Laws-Limitations Act recommended by the National Conference of Commissioners on Uniform State Laws. No action was taken on the bill.

### **Data practices bill assembled**

Members of the Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), assembled in the evening, Tues., Mar. 23, to consider several data practices bills and create an omnibus bill.

S.F. 2391, authored by Sen. Cal Larson (R-Fergus Falls), expands the commerce commissioner's ability to share information with other investigative agencies. S.F. 2430, carried by Sen. Mee Moua (DFL-St. Paul), permits the Department of Revenue to verify to a county assessor whether an individual who is requesting or receiving a home-stead classification has filed a Minnesota income tax return as a resident. S.F. 2343, sponsored by Sen. Linda Higgins (DFL-Mpls.), provides an exception to the open meeting law for security briefings. The bill requires public bodies to approve all financial matters relating to security measures at open meetings, requires closed meetings relating to security to be taped and requires the tapes to be

# Committee update



**Senators Betsy Wergin (R-Princeton) and LeRoy Stumpf (DFL-Thief River Falls) consult with each other during a recent Senate floor session.** Photo by David J. Oakes

preserved for eight years. Sen. Warren Limmer (R-Maple Grove) carried S.F. 2879, which provides that information about correctional employees is public, but may not be disclosed to facility patients, inmates or individuals who are likely to use the information to harass, intimidate or assault employees. S.F. 2223, carried by Betzold, makes technical changes to the classification of data maintained by the Dept. of Employment and Economic Development. All the bills were approved for inclusion in the omnibus data practices bill. The omnibus bill, S.F. 1889, carried by Sen. Wesley Skoglund (DFL-Mpls.), was sent to the full Senate.

The panel also advanced S.F. 2561, which provides for the classification of CrimNet data, to the Crime Prevention and Public Safety Committee. The bill is also sponsored by Betzold.

## **Homeowners protection bill ok'd**

The Judiciary Committee met twice Thurs., Mar. 25, to clear bills from the agenda before the second committee deadline. The first portion of the hearing saw action on six bills.

Sen. Linda Scheid (DFL-Brooklyn Park) carried three measures. One bill, S.F. 2248, makes a number of changes in laws to afford more protection to homeowners. The Homeowner's Protec-

tion Act requires more detail in reports from municipalities on building code enforcement, establishes a statutory cure process for home warranty claims, permits successful home warranty claimants to recover attorney fees, regulates contractor estimates and requires preclicensing education of residential building contractors. The measure was approved and re-referred to the State and Local Government Operations Committee. S.F. 2379 recodifies and modifies provisions relating to real estate brokers and salespersons. The measure was advanced to the Senate floor. S.F. 1639, carried by Scheid, provides for the removal and disposal of abandoned vehicles on automobile service premises. The measure was approved and sent to the Senate floor.

Members also approved a bill modifying public transit bus drivers' duty of care to passengers. S.F. 2680, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), was approved and re-referred to the Education Committee. S.F. 2114, sponsored by Sen. Steve Kelley (DFL-Hopkins), changes the Open Meeting Law to allow a public body to close a meeting to negotiate the purchase or sale of real or personal property. The measure also requires the actual sale must be approved at an open meeting and that the price is public information. The bill was sent to the full Senate.

One measure failed to gain the committee's approval. S.F. 2763, authored by Sen. Dennis Frederickson (R-New Ulm), provides for the issuance of pipeline routing permits by the Environmental Quality Board. Members laid the bill on the table because of concerns the legislation affects an on-going lawsuit.

The committee, chaired by Sen. Don Betzold (DFL-Fridley), also began discussion of a bill providing requirements for certification of a class action. Sen. Julianne Ortman (R-Chanhassen) said the bill, S.F. 2880, allows the certification process to happen earlier in the process. She said the measure also contains provisions for appeal of certification order and sets standards for class certification. The measure was laid on the table because of time constraints.

When the panel reconvened in the evening, members began with a discussion of S.F. 2880. Ortman said the bill reforms the process for class action law suits. The measure was approved and re-referred to the Finance Committee. Betzold carried a



bill, S.F. 289, which imposes a statute of limitations for owners or purchasers of dwellings or residential buildings undergoing home improvement work to bring suit relating to defects occurring within the warranty period. The bill specifies the owner has one year following the expiration of the warranty periods set forth in statute to discover a defect which has occurred within the warranty period. Further, the bill specifies that the lawsuit may be brought no more than three years after the expiration of the warranty periods. The bill was sent to the Senate floor.

Members also advanced to the floor a bill providing a factor to determine attorney's fees. S.F. 2047, authored by Sen. Thomas Neuville (R-Northfield), specifies that when a statute provides for the award of attorney fees to a party that has recovered money damages, the court, in setting the amount of attorney fees, must take into consideration the reasonableness of the ratio of the attorney fees sought to the amount damages awarded. S.F. 1233, authored by Ortman, authorizes inverse condemnation under eminent domain by a business when a governmental entity occupies the marketplace by providing goods or services previously provided by the business. The measure was laid on the table.

## K-12 Education Budget Division

### NCLB opt out heard

A bill requiring the state to opt out of a federal education program if the Legislature fails to affirm Minnesota's commitment to the program was heard by members of the K-12 Education Budget Division, Tues., Mar. 23.

S.F. 1921, authored by Sen. Michele Bachmann (R-Stillwater), requires the Legislature to affirm the state's commitment to the No Child Left Behind Act (NCLB) by June 1, 2004. If the Legislature fails to act before that date, the law voids all plans, contracts and agreements relating to the implementation of NCLB. This bill does have significant consequences attached to it, Bachmann said, including the loss of federal education dollars. However, she said, the measure addresses federal intrusion into state education policy. "We've never seen anything quite like this federal intrusion,"

she said, and it is not matched by sufficient federal money. Bachmann said federal dollars account for only between one and four percent of all school district revenue in Minnesota. "The tip of the tail is wagging the dog," she said. Studies of NCLB have shown that almost all schools in Minnesota will be designated failures within a few years, she said. Complying with the law, Bachmann said, sets up the state for adequacy lawsuits from parents and interested groups. Teachers, administrators, school boards and parents, she said, "want No Child Left Behind to be left behind."

Sen. Gen Olson (R-Minnetrista) offered an amendment, requested by Bachmann, changing the deadline for affirmation to July 1, 2005. Bachmann said the additional year allows some time for the state to test the federal requirements and for the federal government to respond to the state's concerns. Enactment of S.F. 1921, she said, strengthens the state education commissioner's hand in seeking flexibility from the federal government. The amendment was adopted.

This bill is still going too far, too fast, said Sen. Geoff Michel (R-Edina). The commissioner has been successful in negotiating with the federal department, he said. The anxiety over NCLB is concentrated on a lack of funding, Michel said, not on the intent of the law. The general theme of NCLB—closing the achievement gap—is right, he said. Bachmann said the federal law focuses more on data collection than on actively seeking to close the achievement gap. By opting out of NCLB, she said, the state and school districts can free up other funds used to meet federal requirements to hire teachers, develop new curricula and focus on improving student achievement. However, Sen. Betsy Wergin (R-Princeton) said she wasn't sure what districts would do differently if the state opted out of NCLB. Sen. Steve Kelley (DFL-Hopkins) said Minnesota would adopt a growth model, rather than the benchmark model of NCLB. A growth model focuses on charting students' growth from year to year, rather than measuring whether students meet preset goals in any given year. "In a fit of wishful thinking," Bachmann said, "NCLB dismisses the bell curve." The federal law requires equality of outcome, rather than

accept that children are different and achieve in different ways, she said.

Jim Bartholomew, Minnesota Business Partnership, said Minnesota has one of the best school systems in the nation. There are also significant and persistent achievement gaps, he said. NCLB is a valuable tool that needs modification, Bartholomew said. Rather than opt out, he said, everyone should work together to improve the law and its implementation. Ken Meyer, deputy assistant secretary of the U.S. Dept. of Education, said the law is an evolution in education, not a revolution. The 1994 Elementary and Secondary Education Act (ESEA) required states to set standards and implement testing regimes to assess students against those standards, he said, so the core principles are not new. What is new, he said, is that states are being required to comply with the law. In 2001, Meyer said, only 11 states were in compliance with ESEA. Bachmann said the 1994 law led to the creation of the Profiles of Learning in Minnesota. The problems we experienced with the Profiles will remain with us, she said, if we comply with NCLB.

Division members, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), laid over the bill to await a fiscal note.

In other action, the panel considered three other measures. S.F. 2111, carried by Sen. Wesley Skoglund (DFL-Mpls.), provides for voluntary full-day kindergarten. S.F. 2784, sponsored by Sen. David Knutson (R-Burnsville), provides for a study of no-fee, all-day kindergarten, fee-based, all-day kindergarten and no-fee, half-day kindergarten. S.F. 2123, authored by Sen. Julie Rosen (R-Fairmont), provides telecommunications/internet access equity aid to schools in Greater Minnesota. The bills were laid over for possible inclusion in the omnibus education finance bill.

### Governor's proposal heard

The K-12 Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Wed., Mar. 24, to hear the governor's proposed supplemental budget for education.

The proposal changes appropriations to reflect forecast changes and reduces appropriations for the fiscal years ending June 30, 2004, and June 30, 2005. The proposal also cancels balances and appropriations and transfers balances to

# Committee update

the general fund in order to avert a deficit. The proposal reduces general education aid by \$966,000 for FY 2005, reduces funding for best practices seminars by \$1 million, reduces funding for youth works programs by \$900,000, reduces lead abatement funding by \$100,000, reduces funding for the Dept. of Education by \$502,000, reduces funding to the Minnesota State Academies by \$31,000 and reduces funding for the Perpich Center for Arts Education by \$179,000. The proposal has not yet been introduced as a bill, thus the committee just discussed the proposed language.

Members also heard several bills and laid them over for possible inclusion in the omnibus bill. S.F. 1869, carried by Sen. Rod Skoe (DFL-Clearbrook), makes a school district or a charter school that is expected to exceed its expenditure limitations as of June 30 of the current fiscal year as a direct result of changes to the estimated aid and credit entitlement payment percentage may receive a portion of its final payment on June 20, if requested by the district. S.F. 1845, sponsored by Sen. Dallas Sams (DFL-Staples), lowers the maximum effort capital loan tax rate. S.F. 2689, authored by Sen. Linda Scheid (DFL-Brooklyn Park), authorizes a pilot program to allow school districts to spend compensatory revenue at school sites with low test scores. S.F. 2019, sponsored by Sen. Ann Rest (DFL-New Hope), authorizes compensatory revenue to follow a compensatory student to a nonresident school district. S.F. 2768, carried by Sen. Wesley Skoglund (DFL-Mpls.), expands the definition of net debt limit for school districts to include bonds issued to pay pension fund liabilities.

## State and Local Government Operations

### Board of Education bill gains

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), met Mon., Mar. 22, to consider a variety of bills. One of the measures, S.F. 2629, sponsored by Sen. Steve Kelley (DFL-Hopkins), reestablishes the State Board of Education. The bill provides for the establishment of the board to oversee the Dept. of Education and outlines the appointment procedure. Under the bill, eight members, one from each Congressional District, are

to be appointed by the governor and confirmed by the Senate. Further, the bill specifies that the board appoint the commissioner of education and that the commissioner serve as the secretary of the board. The bill provides that the board has the authority to exercise general supervision over education agencies and to adopt or amend administrative rules. The measure was approved and advanced to the Education Committee.

In other action, the panel advanced several additional bills. S.F. 1850, also sponsored by Kelley, extends the existence of the Electronic Real Estate Recording Task Force until 2006 and extends the surcharge on filings appropriated to the task force. The bill goes next to the Finance Committee. S.F. 2449, sponsored by Sen. David Tomassoni (DFL-Chisholm), clarifies that a town must not spend more money in a year than its total revenue, unless there has been a favorable vote of a majority of the town's electors. In addition, the measure clarifies that except as otherwise authorized by law, the tax for town purposes must not be more than the amount voted to be raised at the annual town meeting. The bill was approved and recommended for placement on the Consent Calendar.

S.F. 2733, authored by Sen. Mady Reiter (R-Shoreview) requires U.S. and Minnesota flags in the Capitol Complex to be flown at half-staff following the death of a firefighter killed in the line of duty in Minnesota. The measure was approved and sent to the Senate floor. H.F. 1737, sponsored by Sen. Brian LeClair (R-Woodbury), permits the city of Lake Elmo to adopt and implement a long-term comprehensive plan that maintains rural densities. In addition, the bill specifies that Lake Elmo not be required to construct a local sewer system to be connected to the metropolitan disposal system. The bill failed to gain the panel's approval on a 5-6 vote.

A bill authored by Sen. Jim Vickerman (DFL-Tracy) also gained approval. S.F. 2274 specifies that no interim ordinance may extend the time deadline for agency action with respect to any application filed prior to the effective date of the interim ordinance. In addition, the bill specifies that an interim ordinance may not prohibit or limit an existing and otherwise legally permissible use of land, but the bill does not prohibit the denial of a subdivision or application

that fails to meet the applicable standards for approval. The measure was advanced to the full Senate.

S.F. 2210, carried by Sen. Thomas Bakk (DFL-Cook), provides for the designation of Dept. of Natural Resources (DNR) enforcement personnel by commissioner's order, provides for enforcement of rules and exempts DNR patrol vehicles from the security barrier requirement. The bill was approved and re-referred to the Crime Prevention and Public Safety Committee. A bill providing for renewal of the Emergency Health Powers Act, S.F. 2512, was also approved and advanced to the Judiciary Committee. The measure was sponsored by Sen. Becky Lourey (DFL-Kerrick).

Members also heard an informational presentation on Gov. Pawlenty's Reorganization Order 191 relating to the Dept. of Public Safety.

### Omnibus pension bill advanced

The State and Local Government Operations Committee held a marathon meeting Wed., Mar. 24, to consider a variety of bills. One of the major bills on the agenda, S.F. 676, the omnibus pension bill is actually a combination of all the pension bills okayed by the Legislative Commission on Pensions and Retirement. The measure, sponsored by Sen. Don Betzold (DFL-Fridley), makes changes to various statewide and major local public pension plans, makes administrative changes, sets various limitations and requirements for public employees police and fire retirement plan disability benefit applications and resolves one person and small group pension problems. The bill was approved and advanced to the Finance Committee.

In other action, the committee, chaired by Sen. Linda Higgins (DFL-Mpls.), acted on 11 additional bills. S.F. 806, carried by Betzold, modifies the responsibilities to provide actuarial valuations and proposed legislative cost estimates for future actuarial services to the Legislative Commission on Pensions and Retirement. The measure was also advanced to the Finance Committee.

S.F. 2114, authored by Sen. Steve Kelley (DFL-Hopkins), changes the Open Meeting Law to allow a public body to close a meeting to negotiate the purchase or sale of real or personal property. The measure also requires the actual sale must be approved at an open meeting and that



the price is public information. The measure was forwarded to the Judiciary Committee.

S.F. 2122, carried by Sen. Leo Foley (DFL-Coon Rapids), authorizes Anoka County to establish a Personnel Board of Appeals. S.F. 2472, authored by Sen. Dennis Frederickson (R-New Ulm), exempts the commissioner of natural resources from rulemaking when making determinations in designations, natural resources activities, fees and grants. The exemption is limited to areas where the commissioner has statutory authority and discretion. S.F. 1334, carried by Sen. Michele Bachmann (R-Stillwater), allows a city charter to prohibit members of the governing body of the city from serving on the charter commission. S.F. 2211, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), modifies provisions for the control of invasive and nonnative species. The bill also sets civil and criminal penalties. S.F. 2067, carried by Sen. Jim Vickerman (DFL-Tracy), changes provisions for publication of public notices in newspapers. S.F. 2285, authored by Sen. Scott Dibble (DFL-Mpls.), adds to the list of unpaid special charges for which a city may collect a service charge as a special assessment. All of the above bills were advanced to the Senate floor.

Two bills were recommended for placement on the Consent Calendar. S.F. 2342, sponsored by Dibble, provides that the county recorder may accept security deposits to guarantee payment of charges. S.F. 2871, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), increases the efficiency of payroll processing by authorizing the use of electronic time recording systems.

## State Government Budget Division

### Budget discussions continue

The State Government Budget Division met Tues., Mar. 23, to continue discussions of the governor's supplemental budget. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), concentrated on two sections of the budget memorandum—Article 7, dealing with state government appropriations, and Article 3, relating to criminal justice appropriations. Ranum said the governor has not submit-

ted bills, but has issued memoranda containing the budget recommendations.

The complete budget recommendations may be found online: <http://www.budget.state.mn.us>.

### Budget review continues

The State Government Budget Division chaired by Sen. Jane Ranum (DFL-Mpls.), met Wed., Mar. 24, to continue its consideration of the governor's budget recommendations. The panel concentrated on two areas: state agencies and criminal justice.

## Taxes

### Variety of bills heard

Members of the Tax Committee met Tues., Mar. 23, to hear several bills and rank them in priority. The committee, chaired by Sen. Lawrence Pogemiller, uses a scale of A through D to rank bills for inclusion in the omnibus tax bill.

S.F. 1706, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), grants a sales and use tax exemption for materials, equipment, and supplies used in the construction of the St. Mary's Duluth Clinic Health System. The measure was recommended for the C list. S.F. 1747, carried by Sen. Gary Kubly (DFL-Granite Falls), excludes ambulance service personnel longevity awards from the state income tax. The bill was recommended for the D list. S.F. 1773, authored by Sen. Mady Reiter (R-Shoreview), conforms state tax law to federal tax changes to encourage consumer-driven health plans. The bill was recommended for the C list.

S.F. 1879, sponsored by Sen. Dallas Sams (DFL-Staples), provides an income tax credit for investments in a regional angel investment network fund. The bill was recommended for the C list. S.F. 1940, also carried by Sams, provides an individual income and corporate franchise tax credit for qualifying investments in dairy operations. The measure was recommended for the B list.

S.F. 2031, sponsored by Sen. John Hottinger (DFL-St. Peter), provides that the education expense credit and deduction apply to expenditures for prekindergarten expenses and museum memberships. The measure was recommended for the C list. S.F. 2119, authored by Sen. Thomas Bakk (DFL-Cook), exempts memorial stones from the sales

tax. The measure was also recommended for the C list.

S.F. 2230, sponsored by Sen. James Metzen (DFL-South St. Paul), provides for members of the Minnesota National Guard to be considered nonresidents for income tax purposes while in active service. The measure was recommended for the C list. S.F. 2349, carried by Sen. Scott Dibble (DFL-Mpls.), exempts high mileage hybrid cars from the motor vehicle sales tax. The bill was recommended for the B list.

### AMT discussed

The Tax Committee devoted a large part of the Wed., Mar. 24, meeting to discussion of bills modifying the alternative minimum tax (AMT). Sen. Ann Rest (DFL-New Hope) sponsored two bills dealing with the AMT, S.F. 2683 and S.F. 2701. Rest said the AMT was begun by the federal government back in the 1970s because some extremely wealthy individuals were not paying income tax. The problem, Rest said, is that the AMT is now applying to middle income families with several children. She said the original AMT was not indexed for inflation and now captures more families with modest incomes. The expansion of returns subject to AMT is occurring because the AMT is not indexed for inflation while the regular tax, the standard deduction and personal exemptions are indexed and because of federal tax cuts, Rest said. More than 90 percent of those taxpayers paying the AMT are doing so because they have dependent exemptions, standard deductions, or itemized deductions for state and local taxes, medical expenses or miscellaneous expenses, Rest said. The two bills both lower the threshold for deductions for charitable contributions and increase AMT exemption amounts and adjust the exemption amounts for inflation in future years. Both measures were recommended for the C list.

In other action, the committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered several additional bills and ranked the measures on a scale from A through D. S.F. 2320, sponsored by Sen. William Belanger (R-Bloomington), sets forth three conditions under which estates would be exempted from the Minnesota estate tax. Under the bill, the deduction for charitable contribu-

# Committee update

tions on the estate tax return must be at least 20 percent of the Minnesota gross estate, the decedent's Minnesota income tax for the tax year prior to the year of death must have been at least equal to 5 percent of the decedent's federal taxable income and the estate tax return must have been filed in a timely and proper manner. The measure was recommended for the C list. S.F. 2117, carried by Sen. Becky Lourey (DFL-Kerrick), provides that property used for child care located in homestead property be assessed as part of the homestead property. The bill was recommended for the A list.

S.F. 2403, sponsored by Sen. John Marty (DFL-Roseville), requires the add-back of the deduction for disqualified vehicles. Under the bill, a disqualified vehicle is a four-wheeled vehicle manufactured for use on public streets, rated between 6,001 and 14,000 pounds, designed to seat nine or fewer individuals and not equipped with an open cargo area with an interior length of 72 inches or more or does not have a covered box with an interior length of 72 inches or more that is separate from the passenger compartment. The bill was placed on the C list. S.F. 2431, sponsored by Rest, exempts publicly traded partnerships from the withholding requirements for non-resident individual partners. The bill was placed on the A list.

## Transportation Policy and Budget Division

### Bus strike status heard

Members of the Transportation Policy and Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), met Tues., Mar. 23, to discuss the labor negotiations between the Metropolitan Council and Metro Transit drivers and mechanics. Amalgamated Transit Union Local 1005, which represents the drivers and mechanics, went on strike Mar. 4. Representatives of the union and Met Council met with a state mediator Mon., Mar. 22, but no agreement was reached.

### Omnibus policy bill approved

The Transportation Policy and Budget Division, chaired by Sen. Steve Murphy (DFL-Red Wing), devoted the Thurs., Mar. 25, hearing to assembling the division's omnibus policy bill. The measure, carried by Murphy, contains

many of the bills heard in the division over the course of the session.

S.F. 2335 contains bills relating to toll facilities carried by Sen. Sharon Marko (DFL-Cottage Grove) and Sen. Scott Dibble (DFL-Mpls.), a bill prohibiting young drivers from using cell phones carried by Sen. Sean Nienow (R-Cambridge), a bill defining school zone speed limits carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), a bill prohibiting leaving a child under nine years old in a motor vehicle unattended carried by Sen. Bob Kierlin (R-Winona), a bill requiring booster seats carried by Sen. David Knutson (R-Burnsville) and several measures relating to transporting forest products carried by Sen. Tom Saxhaug (DFL-Grand Rapids). Other parts of the measure contain provisions making failure to wear a seat belt a primary offense sponsored by Murphy, a bill requiring the retesting of habitual violators of traffic laws carried by Sen. Dave Kleis (R-St. Cloud), a bill prohibiting the issuance of an instruction permit or provisional license to a young person involved in crash-related moving violation or driving while impaired violation sponsored by Sen. Betsy Wergin (R-Princeton), a bill prohibiting the use of a traffic signal preemption transmitter without authorization carried by Wiger, a bill requiring drivers to reduce speed near emergency vehicles carried by Murphy and a bill requiring the Dept. of Transportation to develop an aviation plan as part of the state transportation plan carried by Sen. Jane Ranum (DFL-Mpls.) Other provisions contained bills of a more technical nature.

The last portion of the bill contains the governor's recommendation for trunk highway fund appropriations and trunk highway bond proceeds appropriations. The bill appropriates \$3 million for conversion of the existing analog microwave communication backbone equipment to digital equipment and \$4.4 million is appropriated for capital improvements to small buildings state wide. The bond appropriations include \$3.383 million to repair and renovate the exterior of the Dept. of Transportation building, \$15.3 million for a new district headquarters in Mankato and \$6 million for construction of a flood control perimeter dike along the east and south edges of Holman Field in St. Paul.

Members offered numerous amendments to the bill. Sen. Mee Moua (DFL-St. Paul) offered an amendment to delete the appropriation for the flood control perimeter dike. She said there were many neighborhood concerns that still need to be worked out. The amendment was adopted. Murphy offered, and the panel adopted, an amendment specifying that 911 emergency operators be classified as essential employees. Murphy also offered amendments concerning the regulation of motorized scooters and for a study to determine a way to reduce credit card fees charged to deputy registrar transactions. Both amendments were adopted. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment allowing an advanced hunter endorsement on driver's licenses. The amendment was adopted.

Moua offered an amendment to remove the status check on the driver's licenses of foreign drivers who obtain Minnesota drivers licenses. Moua said of the approximately 13,000 status check licenses that have been issued, about 3,000 have been canceled. Moua said the department has not been tracking the canceled licenses, nor does the department forward information to law enforcement. Kleis opposed the amendment and said the fact that 3,000 licenses have been canceled proves the measure is working. Moua withdrew the amendment.

Sen. Claire Robling (R-Jordan) offered an amendment reducing the fine of the seat belt violation to \$50. Members adopted the amendment. Sen. Ann Rest (DFL-New Hope) offered an amendment specifying hybrid, high-mileage vehicles be exempt from tolls, should toll ways be constructed in the state. The measure was also adopted. Sen. Mark Ourada (R-Buffalo) offered an amendment deleting a provision relating to the sale of I-394 parking facilities in Minneapolis. The amendment was adopted. The final two amendments adopted by the division were offered by Wiger. One amendment specifies that traffic should keep to the right on freeways and the second amendment requires pets to be contained in the cab of a vehicle or in a cage or container.

The bill was then advanced to the full Finance Committee.

### Schedule available online

Next week's schedule is available online: <http://www.senate.mn/schedule/2004/0329.htm>



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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Members of the Tax Committee take action on proposed legislation, Fri., Apr. 2, as the Senate works to assemble a supplemental budget package.*

*Photo by David J. Oakes*



April 2, 2004

# Senate Highlights

## Budget fix bill okayed

The full Finance Committee met Thurs., Apr. 1, to review the Senate's resolution to the current biennium's shortfall. Committee Chair Richard Cohen (DFL-St. Paul) said the governor laid out several guidelines for the budget fix. He said the guidelines included no tax increases, no funds from the budget reserve and significant cuts for FY 04-05 and beyond. "The plan abides by those guidelines," Cohen said. He said there are two pieces to the budget resolution plan, one containing finance provisions and one containing tax provisions. The bill before you is the finance portion of the plan, he said.

The bill contains reductions from the carry-forward and agency cuts of 5 percent, Cohen said. He added that small agencies and the Historical Society were not cut because those agencies took disproportionate cuts last year. The bill cuts \$81.611 million for the biennium. The measure also contains a five-day transfer from the health care access fund to the general fund and then a transfer back to the health care access fund to eliminate any negative unrestricted balance in the general fund. The measure estimates the amount to be \$3.835 million. The bill also contains provisions outlining the parameters for budget forecasts and specifies that inflation must be added into budget calculations. "The governor and Legislature made a mistake in removing inflation. It's not realistic to not include inflation in the calculations," Cohen said.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

A section of the bill limiting agency heads to one deputy commissioner sparked considerable discussion. Sen. Dennis Frederickson (R-New Ulm) said the provision goes beyond the governor's recommendation and is not good public policy. Cohen responded that the fiscal difficulties of the state mean hard choices. "This is not a perfect bill, but these are tough times," Cohen said.

Another portion of the bill prohibiting agencies from spending any money for travel outside the state or from contracting or paying for meeting space outside state facilities also sparked discussion. Sen. Cal Larson (R-Fergus Falls) moved to include the judicial branch and the Minnesota State Colleges and Universities in the travel prohibitions. He argued that it was unfair to subject the executive branch to the restrictions and not the judicial branch. Cohen said the Legislature has been operating under a travel ban and the bill is an attempt to equalize the hardship. He added that the bill does not prohibit travel, it just prohibits state reimbursement. Members divided the amendment and took separate roll call votes. The portion of the amendment to include the judicial branch in the travel restrictions failed on an 8-11 roll call vote and the portion that included the MNSCU system failed on a 6-13 roll call vote.

Members adopted an amendment, offered by Cohen, specifying the Supreme Court may not certify a vacancy in the position of judge in the District Court before June 30, 2005. Cohen said the amendment delays filling vacancies and saves money.

The bill was approved and advanced to the Tax Committee on a 12-7 roll call vote.

## Brief floor sessions held

Senators met briefly Mon., Mar. 29, and Wed., Mar. 31, to process committee reports, facilitate the movement of bills between committees and introduce new legislation.

Senators gathered Thurs., Apr. 1, to process the movement of bills between committees. Majority Leader Dean Johnson (DFL-Willmar) said a plan to take up a bill increasing the minimum wage had to be shelved because of technical difficulties with the Senate's 34-year-old electronic voting system. Without the board, he said, roll call votes would have to proceed orally.

In addition to moving bills between committees, Senators voted not to concur with amendments made in the other body to S.F. 58. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), lowers the per se alcohol concentration for driving while impaired violations to 0.08, from 0.10. A conference committee of three members—Foley, Sen. Wesley Skoglund (DFL-Mpls.) and Sen. David Knutson (R-Burnsville)—was appointed.

## Molnau appointment debated

Members of the Transportation Policy and Budget Division met Tues., Mar. 30, to consider the appointment of Lt. Governor Carol Molnau as commissioner of the Department of Transportation.

"This is a historic occasion because this is the first time a lieutenant governor has been appointed as a commissioner," Molnau said. Molnau said, "When my seatmate in the House of Representatives asked me to run as his lieutenant governor, I said that I would need to have an active role as lieutenant governor." Other lieutenant governors are also taking roles as department heads, she said.

She emphasized her lifelong interest in transportation issues, from being on the Chaska City Council, to chairing the House Transportation Finance Committee. "I have respect and admiration for the staff and employees of the department. I am so impressed with their dedication, innovation and commitment to transportation," Molnau said.

Minnesota is about 20 years behind in transportation, she said. She also emphasized the accomplishments of the department over the last year. "Our priority is highways," Molnau said, "We have made administrative changes to cut \$36 million, streamlined our management structure to improve efficiency, established clear lines of communication and accountability and established a statewide transportation plan emphasizing highways." Molnau said. "Minnesota deserves a 21st century transportation system," she said.

Chairman Steve Murphy (DFL-Red Wing) asked about the capacity for FAST Lanes and other toll facilities. Molnau responded that the added capacity would be those lanes that have tolls, existing capacity on existing lanes. Sen. Claire Robling (R-Jordan) asked if the commissioner had any other plans for creating efficiencies in the department. Molnau





**As participants in the Yellow Ribbon suicide prevention program, middle school students from the Gibbon-Fairfax-Winthrop School District listen to a presentation in the Capitol Rotunda, Tues., Mar. 30.**

Photo by David J. Oakes

responded that she is constantly looking for efficiencies and that many of the streamlining efficiencies were the result of employee suggestions.

Murphy asked about the 20 percent reduction in middle management and the reduction in the number of snow plow drivers. Molnau said equipment is better, the chemicals used are more effective and other efficiencies have been made. Bob Winter, Dept. of Transportation, spoke about the productivity levels and service levels for snow plow drivers. Sen. Keith Langseth (DFL-Glyndon) said the roads in his area of the state were not cleared of snow in as timely a manner as in the past. Winter said this winter was more severe in terms of snow fall than the past few years.

Sen. Mee Moua (DFL-St. Paul) asked about the balance of transportation projects between the urban core and the rest of the state. Molnau said 60 percent of the transportation projects are in Greater Minnesota while the remainder is for the Metro Area. In addition, transit is an important component for the urban core and the overwhelming percentage of transit programs are for the urban area. "I've been a strong supporter of bus ways,

but for the most part it is a question of resources. It doesn't need to be either/or, but a lack of resources makes it an either/or question." Moua asked what systems have been put in place that put a balanced agenda forward. Molnau replied that with no general funds available and a \$4 billion shortfall, we still provided \$40 million for transit projects. We did make an effort to help with transit, she said. Moua asked for assurance that the commissioner will advocate for a balanced approach including transit. Molnau responded that the department does not have control of funding for transit, that it is the Legislature with the control of funding. In addition, she said the department must implement the governor's vision for transportation. Sen. Scott Dibble (DFL-Mpls.) also asked about the vision for transit in the Metropolitan Area. "The only thing I have heard about is a plan for another belt-way around the Metro, a failed strategy in Atlanta," Dibble said. Molnau responded that the department meets often with the Metropolitan Council on transit issues, but the bottom line is that the Legislature puts together the transit plan.

Sen. Mady Reiter (R-Shoreview) moved that the appointment of Molnau as commissioner of transportation be approved. Sen. Dave Kleis (R-St. Paul) supported the motion and said the questions of the commissioner had been on policy issues, rather than her qualifications for the position. The motion failed on a 7-8 roll call vote with one abstention.

Moua moved that the appointment not be confirmed. Dibble supported the motion and said that the commissioner must have a vision for the department. Sen. Julianne Ortman (R-Chanhassen) said, "I am truly shocked. People have put themselves forward to serve the state and

have been serving for 14 months. If there was a concern about the commissioner, why didn't we vote 14 months ago? What precedent do we set, if our disagreement of the policy of the governor means we cannot allow the governor to appoint the person best suited to serve?" Ortman said none of the questions had to do with Molnau's qualifications. She asked that the motion be withdrawn. Reiter said the actions of the majority are discriminatory, political, and unfair. We are merely making a recommendation to the full Senate, Moua said. The motion prevailed on an 8-7 roll call vote with one abstention.

### Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

# Committee update

## Crime Prevention and Public Safety

### Three bills gain

Members of the Crime Prevention and Public Safety Committee held their final meeting Fri., Mar. 26, to take action on three measures.

S.F. 2727, sponsored by Committee Chair Leo Foley (DFL-Coon Rapids), provides that the CriMNet program manager serves at the pleasure of the Criminal and Juvenile Justice Information Policy Group, expands the duties of the task force to include assisting the policy group in providing oversight of CriMNet operations, requires the policy group to include in its annual report the status of current CriMNet integration efforts and projects and repeals archaic language regarding policy group study of a criminal justice information continuing education program and a criminal code numbering scheme. S.F. 1727, carried by Sen. Mike McGinn (R-Eagan), makes it a crime to falsely report police misconduct. The bills were advanced to the Finance Committee.

S.F. 2210, carried by Sen. Thomas Bakk (DFL-Cook), modifies provisions relating to the Dept. of Natural Resources. The bill exempts marked conservation officer patrol vehicles from laws or rules requiring a security barrier in the vehicle and authorizes the commissioner to designate employees for limited natural resources law enforcement. The proposal was sent to the full Senate.

## Early Childhood Policy and Budget Division

### ABE funding bill heard

A bill modifying the funding formula for adult basic education was heard by members of the Early Childhood Policy and Budget Division, Tues., Mar. 30. The panel laid the bill over for possible inclusion in its omnibus supplemental budget bill and to await a fiscal note.

S.F. 2282, carried by Sen. Ellen Anderson (DFL-St. Paul), permits ABE programs to carry over their funding from one fiscal year into the first three months of the following fiscal year. The bill also returns to the ABE funding formula any money not paid to a program because the program exceeded the \$21 per contact

hour limitation on aid. Under current law, money not paid because a program exceeded the cap is returned to the general fund. Sally Swanson, ABE manager for the St. Croix River Education District, said ABE investments provide a five- to seven-fold return in economic impact. The bill is not about increasing revenue for any ABE program, she said, but about providing services to as many learners as possible. She said the carry-over provision is especially helpful because the state only provides 80 percent of the appropriation for a program year in that program year. ABE programs, however, are required to spend their entire appropriation in the program year, she said, and the combination thus requires programs to borrow for the remaining 20 percent. If a program is unable to borrow the money, Swanson said, it faces losing aid in future budget cycles.

In other action, the division reviewed three programs. Division Chair John Hottinger (DFL-St. Peter) said the panel is preparing itself for a full budget process next year. The division heard about the Way to Grow school readiness program in Minneapolis and the use of violence prevention grants and after-school enrichment grants across the state.

### Omnibus bill advanced

The Early Childhood Policy and Budget Division met briefly Thurs., Apr. 1, for a final review of the division's omnibus bill. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), approved the proposal and advanced the measure to the full Finance Committee.

The bill transfers the lead abatement program from the Dept. of Education to the Dept. of Health, clarifies the purpose for the school readiness program and limits the participation to children who are at least three and a half years of age, simplifies school readiness program requirements and requires each child to be assessed at the beginning and end of the program. In addition, the bill requires school readiness programs to submit a plan to the commissioner of education each year and to submit an annual fiscal report. The bill also clarifies requirements for the supervision of contracted school readiness programs and requires districts to adopt a sliding fee schedule for school readiness programs. Finally, the measure alters appropriations to reflect the

February budget forecast for early childhood family education aid, community education aid, school-age care revenue and adult basic education aid.

Members adopted an amendment clarifying that an adult basic education program may include as valid expenditures for the previous fiscal year program spending that occurs from July 1 to Sept. 30 of the following year and that program spending may only be counted for one fiscal year.

## Education

### Omnibus policy bill assembled

Members of the Education Committee met Fri., Mar. 26, to complete their work on the omnibus education policy bill. S.F. 2026, carried by Sen. Steve Kelley (DFL-Hopkins), was approved and re-referred to the Finance Committee.

The bill includes provisions in other bills heard by the panel this year. Among the proposals are new academic standards for world languages and physical education, a requirement for school districts to adopt policies to combat bullying, permission for students to carry prescribed non-syringe injectors of epinephrine and nonprescription pain relievers, provisions for new sponsoring organizations for charter schools and the replacement of the Minnesota Comprehensive Assessments with the Measures of Academic Progress tests. The bill also mandates that the new social studies standards to be adopted by the Dept. of Education be the recommendations of the Minnesota Council for the Social Studies, rather than the recommendations of the Academic Standards Committee formed by the commissioner. The science standards, under the bill, are the recommendations of the Academic Standards Committee.

### Boards' members approved

Members of the Education Committee met Tues., Mar. 30, to approve the appointments of 15 people to education boards. The panel, chaired by Sen. Steve Kelley (DFL-Hopkins), advanced the appointments to the full Senate.

Kenneth LaCroix, Daniel Sullivan and Ann Zweber Werner were considered for the Board of School Administrators. Rosemary Crowe-Campos, Dee Grover-Thomas, Allen Hoffman, Renee Jesness and Richard Tschida were approved for



membership on the Board Teaching. Seven appointments were approved for the Board of the Perpich Center for Arts Education: Mark French, Penny Johnson, Mohammed Lawal, Jane B. McWilliams, Sonja Peterson, Dan Reigstad and Marjorie Barton Savage.

### **Yecke hearings begin**

The confirmation process for Education Commissioner Cheri Pierson Yecke began Thurs., Apr. 1, as members of the Education Committee held their first hearing on the issue. The panel took no action on the appointment, but will meet again on the appointment later in April.

Sen. Steve Kelley (DFL-Hopkins), chair of the committee, said he hoped to address several topics as the confirmation process proceeded, including the degree of polarization in the education community that has developed in the last year around the implementation of the governor's agenda, the politicization of Department

of Education (MDE) appointments, the integrity of the process of interpreting and executing laws, the state's response to the No Child Left Behind Act (NCLB) and how MDE describes the state's attempts to comply with and change the federal law.

In a prepared statement, Yecke reviewed her background and her approach to education. She noted that she is native Minnesotan, but has spent most of her adult life outside the state, because her husband was in the Marine Corps. Yecke was educated at the University of Hawaii, the University of Wisconsin and the University of Virginia. She taught in middle and high schools in Virginia and Wisconsin, served on the Virginia Board of Education, was named deputy secretary and secretary of education in Virginia and, most recently, served in the U.S. Department of Education (USDE).

It is important to listen to and share information with educators, Yecke said, and to involve the public in major education policy changes. She said a

reorganization of the department allows for greater emphasis on outreach and addressing the achievement gap. While noting how well Minnesota students perform overall, Yecke said, MDE must make known the extent of the achievement gap. "We cannot rest on our achievements in the aggregate," she said. The gap is not a figment of anyone's imagination, she said, but can be triangulated from any number of data sources. "My vision is to have a system that meets the needs of all children," she said. The department has been successful in negotiating with USDE for flexibility in Minnesota's plan to comply with NCLB. MDE is also in discussions regarding using a value-added approach to student achievement, she said. "My vision is to have a system that is responsive to the desires of parents, one that is innovative and creative," Yecke said.

Legislators in both bodies and many citizens are deeply concerned about NCLB, said Sen. LeRoy Stumpf (DFL-



*Senators David Hann (R-Eden Prairie) and Gen Olson (R-Minnetrista) exchange ideas in the Senate chamber.*

*Photo by David J. Oakes*



# Committee update



**Peder Larson, right, with the Partnership for Mercury Free Vehicles, appears before the Environment, Agriculture and Economic Development Budget Division, Wed., Mar. 31, in support of a bill proposed by Sen. Scott Dibble (DFL-Mpls.), left, requiring motor vehicle manufacturers to establish a mercury switch collection program.**

Photo by David J. Oakes

Thief River Falls). Both bodies are advancing legislation to opt out of the federal requirements, he said, but MDE seems to be vigorously defending NCLB. Yecke said the federal law introduces accountability to a system that has poured \$120 billion into education since the 1960s. "I will not go against state law," Yecke said, if the Legislature determines to opt out. However, she said, a recent report showed that only 17 percent of superintendents support the move. Losing any money hurts districts, she said, and losing the federal money attached to NCLB will be painful. Sen. Michele Bachmann (R-Stillwater) said a commissioner can only follow the law and implement policy established by the governor. The governor's policy, Bachmann said, has been to uphold NCLB.

Panel members heard from several members of the public supporting Yecke's appointment. Janet Dolan, chair of the Minnesota Business Partnership, said the education system must change to meet the needs of the future. To enact that change, she said, an education commissioner must be a strong advocate for challenging the status quo. Mark Chronister, a member of the Business Partnership, said Yecke is the sort of talented, energetic and committed person needed in the post. Stu Lade, a Brainerd teacher, said Yecke is insightful, approachable and responsive to the needs of classroom teachers. We cannot allow our partisan differences to affect the education of our children, said Ron Hill, a Burnsville-Eagan-Savage school board member. The governor set a high bar for a commissioner, he said, and Yecke is superbly qualified. The question is not if Yecke is the best education commissioner

ever or if her performance has been flawless, said Dennis Rettke, executive director of the Minnesota Rural Education Association. What is important is that we have an active commissioner who has been strong and consistent, he said.

Several members of Parents United spoke against confirming Yecke. Christy Hlavacek, a Stillwater parent, said a leader that divides us does nothing to further the goals of quality education. A commissioner should support programs that work, while also promoting change in problem areas, she said. Early childhood education has been proven to help close the achievement gap, Hlavacek said, but Yecke has openly questioned the importance and value of early childhood programs. Hlavacek said the standards process used by the commissioner was flawed. The development of new standards should have been put in the hands



of professional educators, she said. Lisa Pederson, also a member of Parents United, said the standards process was politicized. Too little credence was given to the opinions of educators, Pederson said, while too much was given to the opinions of people with a clear political agenda. Mary Cecconi, also affiliated with Parents United, said the commissioner is a selective listener. Contrary to Yecke's easy-going talk about diverting funds and getting grants, Cecconi said, school districts do not have enough money to meet the new requirements imposed by NCLB.

Carrie Lucking, a teacher at Hopkins High School, said the Alliance to Block the Commissioner has collected over 4,000 signatures of people opposed to Yecke's confirmation. She said MDE has engaged in a campaign of active misinformation and has used half-truths to support its policies. We know anyone appointed by the governor will carry out his agenda, Lucking said. The opposition to Yecke, she said, isn't about the governor's agenda, but about the commissioner's performance.

Sen. David Hann (R-Eden Prairie) said the commissioner is doing what she needs to do: implement a difficult law, NCLB. The standards drafted under the commissioner were created in public and complied with legislative mandates, he said. If we are to examine Yecke's performance, he said, she has done what we told her to do. Sen. Gen Olson (R-Minnetrista) noted that none of the examples used to demonstrate alleged misinformation from the commissioner actually contain any dishonest statements.

## Elections

### Voting time bill okayed

The Elections Committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), met briefly Fri., Mar. 26, to consider one bill. H.F. 3005, sponsored by Sen. Becky Lourey (DFL-Kerrick), changes the time for voting on changing county seats. The measure was approved and recommended for placement on the Consent Calendar.

## Environment, Agriculture and Economic Development Budget Division

### Gov's budget proposal discussed

Members of the Environment, Agriculture and Economic Development

Budget Division met Tues., Mar. 30, to review the portions of the governor's budget proposal that fall under the division's jurisdiction. Representatives of the Dept. of Agriculture, Dept. of Natural Resources, Dept. of Employment and Economic Development, Environmental Assistance Office, Historical Society, Housing Finance Agency, IRRRB, Dept. of Labor and Industry, Pollution Control Agency, Board of Water and Soil Resources and the Minnesota Zoo explained how their agencies will accommodate the reductions in the budget proposals. The budget proposal may be found online: <http://www.budget.state.mn.us/budget/operating/index.shtml>.

Members also reviewed three bills for possible inclusion in the division's omnibus bill. S.F. 2725, authored by Sen. Paul Koering (R-Fort Ripley), modifies annual payments to counties for game refuges to include a county having land owned by another state agency for military purposes and managed by the commissioner as a game refuge. S.F. 2775, sponsored by Sen. Gary Kubly (DFL-Granite Falls), appropriates \$150,000 for a grant to the West Central Growth Alliance for the pilot marketing program. Kubly said the money had been appropriated at one time, but was unallotted just prior to beginning the pilot marketing program. S.F. 2965, authored by Sen. Scott Dibble (DFL-Mpls.), extends the period for collecting dry cleaner environmental reimbursement fees until 2005.

### OHV, housing bills heard

The Environment, Agriculture and Economic Development Budget Division, chaired by Sen. Dallas Sams (DFL-Staples), met Wed., Mar. 31, to continue reviewing bills for possible inclusion in the panel's omnibus bill.

A bill making changes in off-highway vehicle provisions, S.F. 2793, sparked considerable debate. The measure, sponsored by Sen. Dennis Frederickson (R-New Ulm), was in the division because of provisions requiring the Dept. of Natural Resources to conduct studies and the appropriation for the studies. Members, however, had questions about some of the policy provisions in the bill. The measure modifies restrictions on the operation of off-highway vehicles, extends the availability of the off-highway vehicle damage account, modifies decal requirements for off-highway motorcycles,

clarifies registration requirements, modifies restrictions on the operation of all-terrain vehicles and modifies the off-highway vehicle safety and conservation program. Frederickson said, "Minnesota does not have coral reefs, Minnesota does not have rainforest, but Minnesota does have wetlands that are as fragile as other vulnerable ecosystems." The bill does allow use of the vehicles on frozen type 8 wetlands until 2009, use on farms and use for hunting and trapping. Frederickson made a motion to remove the sections requiring the study and the appropriation and lay those sections over for possible inclusion in the omnibus bill. The balance of the bill was approved and advanced to the full Finance Committee.

The division also advanced a bill relating to the Minnesota Public Facilities Authority to the full Finance Committee. S.F. 2313, also carried by Frederickson, increases and modifies the bonding authority for the Minnesota Public Facilities Authority. The measure also provides for interest rate exchange or swap agreements relating to the issuance of bonds or loans or other financial assistance or investments and specifies the nonliability of authority members and the state.

Members also heard several additional bills. S.F. 2693, authored by Sen. Linda Berglin (DFL-Mpls.), provides for the allocation of funds from the agricultural chemical response and reimbursement account for testing and clean-up of industrial arsenic contamination of soil in residential yards, grounds of buildings serving children and land used for the purpose of community gardens.

S.F. 2462, carried by Sen. Ellen Anderson (DFL-St. Paul), preserves the authority of Housing and Redevelopment Authority to lease townhome and condominium properties to eligible tenants. S.F. 1772, carried by Sen. Scott Dibble (DFL-Mpls.), appropriates \$2.747 million from the general fund for transitional housing programs and for emergency services grants. S.F. 1934, also sponsored by Dibble, requires motor vehicle manufacturers to establish a mercury switch collections program. All of the bills were laid over for possible inclusion in the omnibus bill.

Finally, the division also approved the CREP bill for this year. S.F. 2145, carried by Sen. Rod Skoe (DFL-Clearbrook), modifies the conditions for

# Committee update

easement acquisition on the Reinvest in Minnesota reserve program and appropriates money for conservation easements. The bill also expands the purpose of the RIM program to include the prevention of flood damage and requires a priority to easements on land subject to frequent flooding. The bill also prohibits a preference for permanent easements. Much of the language was also held over for possible inclusion in the omnibus bill. The portions of the bill relating to bonding appropriations were forwarded to the Capital Investment Committee.

## Finance

### Former commissioners' advice to policymakers: 'no more gimmicks'

Members of the Tax and Finance Committees met jointly Fri., Mar. 26, to hear from two former finance commissioners on dealing with long-term budget problems. The panels are chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Sen. Richard Cohen (DFL-St. Paul), respectively.

Tough times call for tough measures, said John Gunyou, who served under Gov. Arne Carlson. Using shifts and other accounting gimmicks, he said, compromises the long-term financial health of the state. He said Wall Street bond analysts saw through much of the slight-of-hand used to resolve the FY 04-05 shortfall in 2003 and downgraded the state's formerly best-in-the-nation credit rating. Minnesota still has a structural budget problem, Gunyou said, and will spend about \$1.4 million a day more than it will collect in revenue in FY 05-07.

However, Sen. David Knutson (R-Burnsville) said that shifts are a legitimate budgetary move. Shifts help us even out budgetary blips, he said, and are a tool that many administrations have used. Jay Kiedrowski, finance commissioner for Gov. Rudy Perpich, said previous shifts were used to buy time for permanent changes to take effect. The current budget response, he said, has no permanent changes. Kiedrowski said the message he and Gunyou bring to the Legislature is not partisan, but is simple: either cut spending or raise more revenue.

The two former commissioners also discussed a broad range of issues related to state budgeting. Gunyou and Kiedrowski rejected the idea of a separate forecasting

agency supervised by the Legislature, saying Minnesota's transparent, single-source forecasting is a model for other states. The pair also urged policymakers to consider the long-term costs and benefits of programs, rather than just their two-year impact, and various methods of decreasing the volatility of state revenue.

In other action, members of the Finance Committee took action on S.F. 1801. Sponsored by Sen. Ann Rest (DFL-New Hope), the bill provides various tax incentives in an international economic development zone to promote the development of a regional distribution center. S.F. 1801 was forwarded to the Tax Committee.

## Health, Human Services and Corrections Budget Division

### Omnibus crime bill heard

Members of the Health, Human Services and Corrections Budget Division met Tues., Mar. 30, to review the fiscal implications of the omnibus crime bill and to hear information about public defenders and sentencing guidelines.

S.F. 1863, sponsored by Sen. Leo Foley (DFL-Coon Rapids), increases the statutory maximum sentence for sex offenders, provides for mandatory life sentences for repeat sex offenders, makes a number of changes to methamphetamine laws and makes changes to the driving while impaired, prostitution, identity theft, trespass and interference with privacy laws. The division, chaired by Sen. Linda Berglin (DFL-Mpls.), questioned the bed impact of various provisions on the corrections system and discussed other fiscal aspects of the bill. Members added an amendment incorporating language from S.F. 1727, sponsored by Sen. Mike McGinn (R-Eagan). The bill makes it a crime to falsely report police misconduct. The bill was laid over for further discussion.

### Additional bills heard

Members of the Health, Human Services and Corrections Budget Division continued their work, Tues., Mar. 30, in an afternoon meeting to consider six bills.

S.F. 982, sponsored by Sen. Gary Kubly (DFL-Granite Falls), provides that the profits derived from wood shops at veterans homes may be used only for the benefit of the homes' residents. S.F. 2351,

carried by Sen. Sheila Kiscaden (IP-Rochester), establishes and modifies credentialing requirements for speech-language pathologists, audiologists, occupational therapists, speech-language pathology assistants, physician assistants, registered nurses, advanced practice registered nurses, dentists, dental hygienists, dental assistants, dental aides, podiatrists, alcohol and drug counselors and licensed professional counselors. Sen. Becky Lourey (DFL-Kerrick) authored two bills. S.F. 2124 modifies child care center licensing fees. S.F. 2477 modifies the date of application for General Assistance Medical Care. Division Chair Linda Berglin (DFL-Mpls.) also carried two bills. S.F. 1857 changes provisions in the prescription drug assistance program. S.F. 2426 repeals fees required for the use of public defenders and provides that public defenders have access to government data about witnesses and clients. The fees repealed were struck down by the Minnesota Supreme Court as unconstitutional; the bill includes an appropriation to the Board of Public Defense to replace the fee revenue. No action was taken on any of the bills.

In other action, the division heard from the Dept. of Human Services on its proposal to revise the nursing home system, on its administrative reduction and on increased costs related to changing referral patterns for sex offenders.

### Bill review continues

The Health, Human Services and Corrections Budget Division held a marathon meeting Thurs., Apr. 1, to finish reviewing bills for possible inclusion in the division's omnibus bill and to advance some bills to the full Finance Committee. The panel, chaired by Sen. Linda Berglin (DFL-Mpls.), began by considering bills relating to prescription drugs.

S.F. 1650, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), requires drug manufacturers to report quarterly the average wholesale price, wholesale acquisition cost, average manufacturer price and best price of each drug to the commissioner of human services and the Board of Pharmacy. The measure also authorizes the Attorney General's Office to pursue penalties against any manufacturer who violates the reporting requirement. The bill was laid over for possible inclusion in the omnibus bill. S.F. 1602,



carried by Sen. Brian LeClair (R-Woodbury), provides for partial conformity with the federal Medicare Prescription Drug, Improvement and Modernization Act of 2003. The measure was forwarded to the full Finance Committee without recommendation.

S.F. 2786, carried by Sen. Sandra Pappas (DFL-St. Paul), creates an exception to the intermediate care facility for persons with mental retardation and related conditions payment system for a 51 bed facility in Ramsey County until the facility is completely closed. S.F. 1006, also authored by Pappas, establishes a Medical Assistance (MA) rate for rehabilitation services that are 50 percent greater than the maximum otherwise allowed for a facility designated as an essential community provider as of Jan. 1, 2000, and with at least 25 percent of the clients receiving services at the facility or in their homes being MA recipients. Both measures were laid over for possible inclusion in the omnibus bill.

S.F. 1835, authored by Sen. Michelle Fischbach (R-Paynesville), provides for a review of hospital moratorium exceptions. The bill was approved and advanced to the full Finance Committee.

S.F. 1627, sponsored by Sen. Linda Higgins (DFL-Mpls.), prohibits health care provider conflicts of interests and kickbacks. The bill also provides civil and criminal penalties for violations. S.F. 2839, authored by Sen. Steve Kelley (DFL-Hopkins), exempts newly arrived refugees and asylees who meet certain qualifications from participating in the diversionary work program. The measures were laid over for consideration in the omnibus bill.

S.F. 1759, authored by Berglin, provides that the commissioner of health accept an application for designation as an essential community provider from one applicant that is a nonprofit community services agency certified as a MA provider that provides mental health, behavioral health, chemical dependency, employment and health wellness services to the underserved Spanish-speaking Latino families and individuals in Minneapolis and St. Paul. S.F. 1876, carried by Berglin, modifies nursing facility case mix calculations for reimbursement. S.F. 2225, also sponsored by Berglin, directs the commissioner of human services to develop and employment option for persons committed to a sexual psychopathic personality treatment center in order for patients to

contribute to their cost of care. The bill specifies that the earning generated be divided between the patient and the center. All three bills were laid over for possible inclusion in the omnibus bill.

Two measures sponsored by Sen. Becky Lourey (DFL-Kerrick) were also heard. S.F. 1206 provides for the prevention of lead poisoning. The bill modifies blood lead level analysis or assessment requirements, requires the commissioner of health to maintain a list of lead safe practices training programs and requires local permitting authorities to distribute fact sheets upon application for permits to remodel, renovate or rehabilitate homes built before 1978. S.F. 2672 requires the commissioner of human services to implement a project that would provide culturally specific pharmaceutical care to American Indian MA recipients over age 55 upon receipt of federal approval. Both measures were laid over for possible inclusion in the omnibus bill.

The division also reviewed the relevant portions of the omnibus crime bill, S.F. 1863. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), increases statutory maximum sentences for sex offenders, provides for indeterminate sentencing with a lifetime maximum for repeat sex offenders, amends predatory offender registration requirements, increases penalties for methamphetamine-related crimes, funds pilot project methamphetamine treatment programs, creates a revolving loan fund for methamphetamine laboratory cleanup and revises other criminal justice laws.

## Higher Education Budget Division

### Stem cell bills gain

Two bills providing for embryonic stem cell research in Minnesota were approved by members of the Higher Education Budget Division, Tues., Mar. 30. The panel advanced the measures to the full Finance Committee.

S.F. 2077, carried by Sen. Steve Kelley (DFL-Hopkins), and S.F. 2635, sponsored by Sen. Richard Cohen (DFL-St. Paul), set a state policy permitting research involving the derivation and use of human embryonic stem cells from any source, require health care providers to furnish infertility treatment patients with sufficient information to make an in-

formed and voluntary decision regarding the disposition of embryos remaining after fertility treatment and prohibit the sale of fetal tissue. Cohen and Kelley both emphasized the importance of engaging the state in the next frontier of scientific research. Dr. Frank B. Cerra, senior vice president for health sciences, said the University of Minnesota is a world leader in stem cell research. He said the University has made promising research gains in the area of adult stem cells, but that embryonic stem cell research is needed to learn about stem cells in general and to find new treatments to alleviate and prevent human suffering. Embryonic stem cells, Cerra said, are not and will never become fetuses, because they have not been and will never be implanted. He said he has lived through two other major medical breakthroughs—the first heart implant and brain death—that posed similar ethical issues. Society managed those issues and will manage the issues related to stem cell research, he said.

However, Dr. Frank Preston, a retired professor of medicine at the University, said the embryos are human. Embryonic stem cell research is morally troubling, he said. He said the research with adult stem cells is far beyond where embryonic stem cell research is. To help the sick in their lifetimes, Preston said, policymakers need to give researchers more money for work with adult stem cells, rather than get distracted with embryonic stem cell research. He also said that researchers have had medical difficulties getting embryonic cells to react properly, while no such problems have presented themselves in research with adult cells. However, Cerra said that it is precisely because the medical community knows comparatively less about embryonic stem cells that more research is needed. Both S.F. 2077 and S.F. 2635 were advanced on a 5-4 roll call vote.

In other action, the division considered provisions in a medical care cost containment bill, S.F. 1760, carried by Sen. Linda Berglin (DFL-Mpls.). Members focused on three provisions aimed at reducing the staffing shortage in health care. The bill increases funding for the Minnesota State Colleges and Universities for nursing education, provides for loan forgiveness for nurses getting advanced degrees who commit to spending at least 20 hours a week as nurse-educators and creates a career ladder for low-wage health care workers to advance

# Committee update

their skills. The panel recommended the full Finance Committee approve the provisions.

Division members also examined a draft amendment to the higher education omnibus supplemental budget bill, S.F. 2695, carried by Division Chair Sandra Pappas (DFL-St. Paul). The amendment contains the chair's recommendations for the bill, includes appropriation changes, prohibits marketing credit cards to undergraduate students, classifies illegal immigrants who would otherwise meet residency requirements as Minnesota residents for tuition purposes, creates a scholarship program for first-generation students, creates a loan program for low-income nursing students, changes the process used to select regents of the University of Minnesota and requires the Higher Education Services Office to enter into negotiations with Wisconsin regarding the tuition reciprocity agreement between the two states. No action was taken on the amendment.

## Budget proposal approved

The supplemental budget proposal for higher education was approved by

members of the Higher Education Budget Division, Thurs., Apr. 1. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), forwarded the document to the Finance Committee.

The proposal cuts \$2 million from the Higher Education Services Office (HESO) budget for tuition reciprocity agreements, appropriates \$1.39 million for a nursing loan program and provides \$360,000 for the family practice residency program at United Hospital in St. Paul. The proposal also transfers money within the state grant program budget to fund a nurse scholarship program, to fund a first generation students grant program and to cover a change in the deadline date for financial aid applications. The net general fund impact of the proposal is a \$250,000 savings.

Panel members briefly discussed the eligibility requirements for the first generation students grant program. Mike Lopez, assistant chancellor for the Minnesota State Colleges and Universities, said the system already uses "students whose parents have not attended college" as a definition of first generation students, but the bill uses the broader category of

students whose parents have not graduated from college. He said the new definition will essentially invalidate the research the system has already done on bringing new families into the higher education fold. Sen. Claire Robling (R-Jordan) offered an amendment changing the eligibility to students whose parents have not attended a postsecondary institution. The amendment was adopted.

After the amendment was adopted, John Corbid, representing the Minnesota Private College Council, said there is no financial benefit to a family if someone attends college unsuccessfully. If the intent is to create a tradition of higher education, and better economic status, in families, then graduation is the appropriate standard, he said.

Division members also heard from representatives of HESO and the Dept. of Health on existing loan forgiveness and repayment programs for health care workers, including nurses. The agency staff pledged to work with Sen. Yvonne Prettner Solon (DFL-Duluth), who authored the nursing loan program provision in the proposal, on refining the



*With the bust of 19th century Minnesota statesman William Washburn appearing to eavesdrop, Senators Wesley Skoglund (DFL- Mpls.) and Richard Cohen (DFL-St. Paul) converse on the floor of the Senate.*

Photo by David J. Oakes



new language and ensuring that it complements the existing efforts.

## Judiciary

### Marriage amendment fails

A packed hearing room watched the Judiciary Committee take on one of the more controversial bills of the session at a meeting Fri., Mar. 26. The committee, chaired by Sen. Don Betzold (DFL-Fridley), met to consider a bill proposing a constitutional amendment defining marriage as a union between one man and one woman.

S.F. 2715, authored by Sen. Michele Bachmann (R-Stillwater), would place the question on the ballot this November. Bachmann said, "This issue is one that has grabbed headlines across the nation and there is passion on both sides of the issue." She said there are strong, good people who disagree on the issue, but the issue is what we support. "The definition, the foundation of society, is the joining of man and woman. The question is whether we retain that definition or redefine the concept of marriage," Bachmann said. "Today we are asking for a law that would allow the people of Minnesota to vote that marriage is the union of one man and one woman," she said.

Theresa Collett, a law professor at the University of St. Thomas, said, "Marriage has become an issue because of the relentless attack of the courts on states' marriage laws." There is wide spread agreement within the state that marriage is between one man and one woman, Collett said. "Laws are based on the fact that children arise from marriage and children do best when raised by a mother and father," Collett said. She said, activists are demanding that judges redefine marriage throughout the country. "There are 22 states where marriage laws are being attacked and it is clear Minnesota will be one of them if the state does not pass a constitutional amendment," Collett said, "Our statutes are vulnerable to attack and the threat of judicial overreaching."

Religious leaders from a variety of faith also spoke in support of the bill. Bishop Frederick Campbell, Archdiocese of St. Paul, said, "Marriage and family life are essential for social order—the defense of marriage is an urgent necessity to protect the family." Yaqub Mohamad, a Somali resident, said, "We are fully in

agreement that marriage is to be only between a man and a woman. We have the biblical mandate and historical precedent."

Willard F. Harley, Jr., clinical psychologist, said it takes a traditional marriage to raise healthy and happy families. "The primary purpose of marriage is to raise the offspring in stability and safety," he said, "The issue is not about the rights of gays and lesbians, it is about raising children."

Sen. Scott Dibble (DFL-Mpls.) began the testimony in opposition to the bill. "I believe strongly this is a basic issue of fairness. Do we believe the purpose of our constitution is to protect freedom and provide fairness or not? The issue is about love and fairness," Dibble said. He said in the not too distant past, women were considered property, blacks could not marry and couples of different races could not marry. "What is the interest of the state?" Dibble asked, "The purpose of the constitution is extending opportunity, fairness and equality."

Ann DeGroot, executive director of Outfront Minnesota, said, "People opposed to this amendment come from a variety of backgrounds. I want to remind people there is no bill before you that legalizes same sex marriage." It is still unclear to me what the amendment would protect about traditional marriage, DeGroot said. "It is still unclear what about same sex marriage threatens the institution of marriage," she said. "The rights of our citizens should not be open to a vote," DeGroot said.

Kathleen Hull, professor of sociology, said, "Contrary to claims of supporters, marriage is in a constant state of evolution. Throughout history, marriage has been primarily an economic and political arrangement with little resemblance to today's institution." She said with the increase in contraception, procreation was no longer the main goal of marriage. "Those who have opposed the evolution of marriage have sounded the alarm of the downfall of marriage, but marriage has proven to be remarkably resilient," Hull said.

David Fredrickson, Luther Seminary, said he was against the bill for two reasons. "The bill sets back recent advances in the institution of marriage and it cuts short the public discourse," he said. Victoria Stafford, pastor, Unitarian Universalist Church, said marriage is the

joining of two adults who would be faithful and committed for a lifetime—it is the job of the faith community to bless all marriages.

After one hour of testimony in support of the bill and one hour of testimony in opposition to the bill, committee members had an opportunity to debate the measure. Sen. John Marty (DFL-Roseville) said, "No one has the right to vote to decide who can get married. It is our job to decide issues of fairness and the only thing this is going to do is enshrine discrimination." Sen. Thomas Neuville (R-Northfield) spoke in support of the bill. "This is obviously a difficult question, but I think it is here because of the violation of the separation of powers by the courts. The courts have created the issues and pushed it forward," he said. "Marriage is in stress today, but it is still the best way for children to be created and raised," Neuville said. Sen. Ann Rest (DFL-New Hope) spoke in opposition to the bill. "I have a hard time seeing how the bill would bring benefit to citizens of Minnesota, I can find nothing that recommends there is a benefit," she said.

The bill was then rejected on a 4-5 roll call vote.

Members then considered a bill, S.F. 3003, sponsored by Betzold, that would place a constitutional amendment before the voters restricting the power of the judicial branch to define marriage. "Sen. Bachmann stressed the other bill was not about gay rights, it was about judicial activism. But that bill doesn't say anything about judicial activism, so I thought we should have a bill to stop judicial activism," Betzold said.

The bill was advanced to the Rules and Administration Committee without recommendation on a 5-4 roll call vote.

## K-12 Education Budget Division

### School bus bills heard

Three bills relating to school bus safety were considered by members of the K-12 Education Budget Division, Tues., Mar. 30. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), laid the bills over for possible inclusion in the omnibus education finance bill.

S.F. 1550, carried by Sen. Steve Dille (R-Dassel), provides for additional school

# Committee update

bus inspectors to be certified by the commissioner of public safety, including employees of school districts and school bus operators. S.F. 2006, authored by Sen. James Metzen (DFL-South St. Paul), permits school districts to include in their health and safety levies, for FY 05-09, funds necessary to replace Carpenter school buses that have potentially defective welds and are subject to use limitations imposed by the Department of Public Safety. S.F. 2043, sponsored by Sen. Gen Olson (R-Minnetrista), modifies school bus safety requirements and permits school districts to contract for advertising inside school buses.

Division members also considered two other bills. S.F. 2924, carried by Sen. Linda Scheid (DFL-Brooklyn Park), modifies the calculation of transition revenue for school districts. S.F. 3001, sponsored by Stumpf, requires the commissioner of finance to direct any budget surplus at the end of a biennium to two education priorities, in addition to the cash flow account and the reserve account already required by law. The priorities in the bill are increasing the aid payment schedule for school district aids and credits payments to not more than 90 percent and eliminating all or a portion of the property tax revenue recognition shift. Stumpf said the bill essentially buys back shifts used in 2003 to balance to the state general fund. The bills were also laid over for possible inclusion in the omnibus bill.

## Education policy bill considered

Members of the K-12 education budget division met Wed., Mar. 31, to consider two measures: the omnibus education policy bill and the omnibus supplemental education finance bill. The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), took no final action on either proposal.

The panel began by amending the language from S.F. 2026 onto S.F. 2439. Both bills are carried by Sen. Steve Kelley (DFL-Hopkins). Kelley explained that it was procedurally simpler to use the latter bill as a vehicle, because S.F. 2026 and its companion in the other body did not meet committee deadlines. Members then removed from S.F. 2439, now the omnibus education policy bill, sections having a fiscal impact. Those sections were laid over for possible inclusion in the omnibus supplemental budget bill. Division

members then adopted an amendment adding school bus safety language, from S.F. 2043, carried by Sen. Gen Olson (R-Minnetrista), to the omnibus policy bill. The panel also adopted an amendment, offered by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), amending the safe school zone law. Provisions in the amendment mirror the language of S.F. 1592. S.F. 2439 was then laid on the table.

Stumpf reviewed the targets for the supplemental budget bill. The panel has been given a target for zero change in state aid, he said, and to increase by \$15 million annually levies payable in 2005 and 2006. The target also includes an additional one-time levy adjustment of \$2.476 million for levies payable in 2005. Stumpf and division staff reviewed the other provisions in the proposed articles for the omnibus supplemental finance bill.

## Budget plan okayed

The supplemental education budget plan was approved by members of the K-12 Education Budget Division, Thurs., Apr. 1. Members of the panel focused primarily on amendments to the proposal.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment containing provisions similar to those in S.F. 2326, which requires the director of the Perpich Center for Arts Education to elect retroactive unemployment insurance coverage for certain positions. Sen. Steve Kelley (DFL-Hopkins) offered an amendment requiring the Dept. of Education to implement a technology innovation grant program to provide wireless laptops in schools. The amendment specifies that the department must use federal technology money made available under the No Child Left Behind Act (NCLB). Both amendments were adopted. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment recommending the administration include in its budget for FY 06-07 funding for all-day, everyday kindergarten. Sen. Gen Olson (R-Minnetrista) said it is not appropriate for the Legislature to order the governor to include something in his budget. The amendment was adopted.

Olson offered an amendment attaching a rider to the best practices appropriation requiring that \$250,000 of the appropriation be directed to the Minnesota Humanities Commission. She

said the commission's budget was eliminated last year, but that demand among schools for the commission's programs is high. Kelley said that whatever standards the state adopts in social studies, Minnesota will need as much staff development as possible. Deputy Commissioner Chas Anderson said the Dept. of Education does not oppose the amendment. The amendment was adopted.

An amendment creating a pilot project under which school districts could distribute a transportation fee among all families was offered by Sen. David Hann (R-Eden Prairie). He said the existing authority for transportation fees provides that the fees can only be assessed on families living within two miles of the school. The amendment permits the fees to be more evenly distributed among families, if a school board chooses to do so, Hann said. Policymakers and families are troubled by the ongoing expansion of fees, Kelley said. He said now is not the time to add more fees. Hann said the fees are already authorized, but are distributed very narrowly. The amendment was defeated on a tie vote, 8-8.

Olson moved to reconsider the vote by which the Anderson amendment, relating to the Perpich Center, was adopted. Hann said he was concerned the amendment violates the constitutional prohibition on special laws to benefit individuals. The motion to reconsider was defeated. Members did reconsider the vote on the Hann amendment, relating to transportation fees. The amendment was adopted.

The panel, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), advanced the K-12 education budget proposal to the Finance Committee on a 16-0 roll call vote.

Members then turned their attention to the omnibus education policy bill, S.F. 2439. Members adopted an amendment, offered by Anderson, providing for comprehensive sexual education. The amendment is similar to language contained in a bill, S.F. 2443, approved by the Education Committee. The amendment, unlike the bill, Anderson said, has no fiscal impact. Hann said the amendment places an additional burden on school districts that may want to handle sexual education in a different manner. The amendment was adopted.



Members then adopted the language from S.F. 2439 onto S.F. 1774. Both bills are carried by Kelley, but the latter measure is the companion to the education bill approved by the other body. S.F. 1774 was approved and advanced to the Finance Committee.

The division's final action was on S.F. 1921, authored by Sen. Michele Bachmann (R-Stillwater). The bill essentially opts the state out of NCLB unless the Legislature affirms the federal law. Kelley said a similar provision is in the education budget proposal, but with additional conditions. He said Bachmann was not comfortable with the changes made in the budget plan. We agreed to move S.F. 1921 on its own, Kelley said. S.F. 1921 will next be heard in the Finance Committee.

## State and Local Government Operations

### Final bills heard

The State and Local Government Operations Committee, chaired by Sen. Linda Higgins (DFL-Mpls.), held its final meeting to consider bills, Fri., Mar. 26. The panel advanced a variety of bills to the floor and to other committees.

S.F. 2607, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), establishes a law enforcement agency to deal with insurance fraud. The bill prescribes the powers and duties of the agency, establishes insurance assessments to fund the insurance fraud prevention account and transfers the duties relating to auto theft prevention from the Dept. of Public Safety to the Dept. of Commerce. The bill

was approved and advanced to the Finance Committee. S.F. 2709, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides for a state aviation system plan and creates an advisory council on aviation planning. The bill was advanced to the Rules and Administration Committee.

S.F. 2399, carried by Sen. Sharon Marko (DFL-Cottage Grove), allows counties the right of first refusal in toll facility contracts, requires the commissioner of transportation to allow public review of proposed toll facility development agreements, prohibits noncompete clauses in private toll facility development agreements and includes toll facilities as an element of the final layout for municipal consent purposes. The bill was advanced to the Senate floor. A second bill relating to toll facilities, S.F. 2397,



*Senators Carrie Ruud (R-Breezy Point), left, Dave Kleis (R-St. Cloud) and Betsy Wergin (R-Princeton) gather around a laptop computer during a recent floor session.*

Photo by David J. Oakes

# Committee update

carried by Sen. Scott Dibble (DFL-Mpls.), was referred to the panel by mistake. The committee advanced to the bill to the full Senate. S.F. 2583, authored by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies the forest resources Interagency Information Cooperative, modifies the State Timber Act and modifies provisions for timber sales on tax forfeited land. The measure was advanced to the Senate floor.

S.F. 2903, authored by Sen. David Senjem (R-Rochester), increases the threshold amount for towns before they are required to have annual audits. The measure was recommended for placement on the Consent Calendar. S.F. 2895, also sponsored by Senjem, provides for local government impact notes. The measure specifies that the commissioner of finance prepare a local government fiscal impact and fiscal benefit note of a proposed rule. The measure also provides that if the cost of complying with proposed rules exceeds \$50,000 for a business with fewer than 100 employees, the rule must be authorized by the Legislature. The bill was approved and advanced to the full Senate.

S.F. 2178, carried by Sen. Michael Jungbauer (R-East Bethel), requires notice and a public hearing before the closure of a municipal airport. The measure was approved and advanced to the Senate floor. S.F. 2263, authored by Sen. Julianne Ortman (R-Chanhassen), is the Dept. of Transportation housekeeping bill and makes numerous technical changes in provisions relating to the department. The measure was approved and advanced to the full Senate.

S.F. 2613, sponsored by Sen. Sheila Kiscaden (IP-Rochester), makes numerous changes to the Minnesota Comprehensive Health Association. The bill increases the minimum premium rate, authorizes enrollee incentives for participation in a disease management program, phases out Medicare-extended basic supplement plans and modifies eligibility requirements. The measure was approved and advanced to the Finance Committee. S.F. 2037, also carried by Kiscaden, deals with the appraisal process in the acquisition of property for transportation purposes. The measure was referred to the Finance Committee.

S.F. 1798, carried by Wiger, specifies that a county or town board may not make final payment on any road construction or improvement until the engineer or person in charge of the work has certified

to the county board or the town board that the work has been done and performed according to the contract. The measure was sent to the full Senate.

## State Government Budget Division

### Public safety radio bills heard

The State Government Budget Division, chaired by Sen. Jane Ranum (DFL-Mpls.), met Tues., Mar. 30, to continue reviewing the governor's supplemental budget memorandum. The division focused on the portions relating to the courts and to the 911 fund. In addition, the panel heard a variety of bills for possible inclusion in the division's omnibus bill.

Two of the measures relate to the public radio communication system. S.F. 1972, sponsored by Ranum, increases the 911 emergency telephone service fee, from 10 cents to 20 cents per month, to eliminate a deficit and to help defray the cost of operating public safety answering points. The measure also repeals the expiration date and expands the jurisdiction and membership of the Metropolitan Radio Board. In addition, the bill authorizes the sale of revenue bonds for phases 2 and 3 of the 800 megahertz public safety radio communication system. S.F. 1638, authored by Sen. Dave Kleis (R-St. Cloud), expands and makes permanent the sales and use tax exemption for public safety radio communication system products and services. The bill also expands the definition of subsystems, expands the purposes for public safety radio communication systems' revenue bonds, and increases the dollar limits and clarifies the kind of subsystem revenue bonds may be used for.

Members then turned their attention to three bills relating to CriMNet. S.F. 2727, sponsored by Foley, makes several changes to CriMNet provisions. The bill provides that the CriMNet program manager serves at the pleasure of the Criminal and Juvenile Justice Information Policy Group, expands the duties of the task force to include assistance to the policy group in providing oversight of CriMNet operations, adds education and training to the list of accepted management techniques to be used for CriMNet projects, requires the policy groups, with the assistance of the task force, to include

in the annual report the status of CriMNet integration efforts and projects. S.F. 2079, authored by Sen. Julianne Ortman (R-Chanhassen), authorizes the commissioner of public safety to impose fees on local users of CriMNet to support the capital cost of its development and authorizes the issuance of state revenue bonds.

Several additional bills were heard by the division. S.F. 2937, carried by Sen. Mee Moua (DFL-St. Paul), appropriates \$3.77 million for crime victim service programs and crime and sexual violence prevention efforts. Ranum carried two additional bills. S.F. 2809 appropriates money to the commissioner of public safety to restore public safety services, including the Crime Victim Services Center, the Bureau of Criminal Apprehension, the fire marshal and the Criminal Gang Strike Force grants. S.F. 2827 extends the availability of extra unemployment insurance benefits.

S.F. 2260, carried by Sen. Jim Vickerman (DFL-Tracy), is the omnibus National Guard or military reserves active members and veterans benefits measure. Among other provisions, the bill requires the commissioner of veterans affairs to provide the legislative committees with jurisdiction over veterans affairs the information needed to implement a Global War on Terrorism bonus to veterans.

All of the bills were laid over for possible inclusion in the division's omnibus bill.

### Crime bill approved

Members of the State Government Budget Division met Wed., Mar. 31, to consider several bills as the panel prepares to assemble its omnibus supplemental budget package.

S.F. 1863, carried by Sen. Leo Foley (DFL-Coon Rapids), is the omnibus crime bill. The measure increases statutory maximum sentences for sex offenders, provides for indeterminate sentencing with a lifetime maximum for repeat sex offenders, amends predatory offender registration requirements, increases penalties for methamphetamine-related crimes, funds pilot project methamphetamine treatment programs, creates a revolving loan fund for methamphetamine laboratory cleanup and revises other criminal justice laws. A fiscal analysis of the bill indicates that the



measure will cost the state \$7.95 million in FY 05 and \$26.78 million in FY 06-07. The analysis also indicates that the implementation of the bill requires half a dozen new judgeships and over 40 new staff in public defenders' offices and adds 376 prisoners to the state corrections system in 10 years.

An amendment offered by Sen. James Metzen (DFL-South St. Paul) permits the commissioner of public safety to reimburse police officers for the replacement of inferior body armor. Another amendment, offered by Sen. Jane Ranum (DFL-Mpls.), asks the chief justice of the Supreme Court and the Conference of Chief Judges to develop a protocol for the use of polygraph examinations for sex offenders placed under probation. Both amendments were adopted. The bill was returned to the full Finance Committee to be heard by other divisions.

Sen. Yvonne Prettner Solon (DFL-Duluth) carried S.F. 1966, which provides for prescription drug bulk purchasing programs established by the Dept. of Human Services and requires the Dept. of Administration to negotiate drug prices for the programs. S.F. 1760, carried by Sen. Linda Berglin (DFL-Mpls.), is a health care cost containment plan. It was before the division because of provisions relating to the Departments of Finance and Employee Relations. Both bills were also returned to the full committee so that they could be heard by other divisions.

The division, chaired by Ranum, took no action on the other measures it heard.

S.F. 1866, carried by Sen. Linda Scheid (DFL-Brooklyn Park), ratifies labor agreements between the state and several public employee unions. Another Scheid bill, S.F. 2607, establishes a Division of Insurance Fraud Prevention in the Department of Commerce. Metzen also carried two bills. S.F. 2366 appropriates \$100,000 in FY 04-05 for the operation of the Minnesota National Guard Youth Camp. S.F. 2466, which was not officially before the division, increases the petroleum inspection fee. S.F. 1786, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), permits counties to retain District Court filing fees if the county has examiner of titles and deputy examiner of titles positions that are paid in the same manner as other county employees.

S.F. 1850, authored by Sen. Steve Kelley (DFL-Hopkins), extends the life of

the Electronic Real Estate Recording Task Force by three years. S.F. 2687, also carried by Kelley, makes energy reliability utility assessments retroactive to July 1, 2001. A third Kelley bill, S.F. 2894, authorizes the State Board of Investment to participate in venture capital investments. S.F. 2580, sponsored by Sen. Ellen Anderson (DFL-St. Paul), requires the Commissioner of Commerce to propose a plan to reduce greenhouse gas emissions.

In other action, division members heard two reports from the Office of the Legislative Auditor on CriMNet, the statewide criminal justice information system. The program evaluation report includes three main recommendations: amending state law to resolve criminal justice data classification issues, to modify the CriMNet governance structure and to require more detailed information from CriMNet to support spending plans; having the Dept. of Public Safety provide day-to-day support and direction for the CriMNet Office and expedite hiring CriMNet Office staff; and ensuring that the CriMNet policy group receives from the CriMNet Office and other agencies the information it needs to assess, prioritize, and facilitate statewide integration efforts and uses the information to make timely decisions. The full program evaluation report is available online: <http://www.auditor.leg.state.mn.us/ped/2004/pe0405.htm>.

The financial audit of CriMNet concluded that CriMNet program managers do not have complete, timely, or reliable accounting data to monitor, analyze, and control project costs, that the CriMNet Office incurred unnecessary and unreasonable expense when it leased office space in excess of its needs and that the office did not always comply with statutory provisions and state policy regarding the disposition of frequent flyer miles. The full financial audit report is also available online: <http://www.auditor.leg.state.mn.us/fad/2004/fad04-08.htm>.

## Taxes

### Governor's bill heard

Sen. William Belanger (R-Bloomington) reviewed the governor's tax proposal at a meeting of the Tax Committee Mon., Mar. 29. The bill, S.F. 2910, exempts state active service by the National Guard from the income tax,

changes qualifications for foreign operating corporations, phases in a single factor sales apportionment formula to calculate corporate income tax on businesses that operate in more than one state, specifies that no business may have a contract with the state unless the business is registered to collect Minnesota sales tax, provides for up-front sales tax payment on motor vehicle leases, subjects cigarettes exempted from sales tax to a new tax at the distributor level, makes natural gas pipelines taxable and changes market value credit calculation for fractional homesteads. Belanger said the bill did not include major tax policy, but that the measure did not increase taxes. He offered an amendment providing that the phase in of a single factor sales apportionment formula be complete by 2008, rather than 2012. The amendment was adopted. The bill was recommended for the C list.

The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), heard a number of individuals speak on the measure. The panel then turned their attention to several bills dealing with the single factor sales apportionment formula.

Senate Counsel explained that corporations that conduct business in more than one state are required to apportion their income to all states in which they do business. Minnesota uses a three factor apportionment formula consisting of property, payroll and sales to determine the amount of income that is taxable in the state. Each factor is weighted in proportion to how much each factor best represents the amount of activity taking place in Minnesota. Current law specifies that the factors are weighted as 75 percent sales, 12.5 percent property and 12.5 percent payroll. In addition, current law allows some mail order businesses to use a single sales apportionment factor. Several bills were discussed that increase the sales factor to 100 percent over time with corresponding reductions in the property and payroll factors.

S.F. 2208, sponsored by Sen. Richard Cohen (DFL-St. Paul), increases the sales factor to 100 percent effective for taxable years beginning after Dec. 31, 2003. S.F. 2445, sponsored by Sen. Ann Rest (DFL-New Hope), S.F. 2540, also carried by Rest and S.F. 2603, sponsored by Sen. Julianne Ortman (R-Chanhassen), all increase the weighted percentage of the sales factor each year until the percentage

# Committee update

equals 100 percent. Members recommended that all the measures be placed on the C list.

S.F. 2943, authored by Sen. David Senjem (R-Rochester), authorizes uses of revenues from pre-1979 tax increment financing districts. The measure was recommended for the A list. S.F. 2890, sponsored by Sen. Jim Vickerman (DFL-Tracy), provides for the valuation and classification of land on which energy conversion systems are located. The measure was recommended for the B list. S.F. 2991, also carried by Vickerman, changes the due date for the wind energy reports, provides that the tax distribution is based on the previous year's local tax rates and allows township levies to be adjusted for the wind production tax in 2004. The bill was placed on the A list.

S.F. 1816, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), dedicates a portion of the state property tax to an education reserve. The bill was amended and recommended for the C list. S.F. 2983, authored by Sen. Mike McGinn (R-Eagan), modifies special assessment and property tax deferment provisions on the Caponi Art Park property. The measure was recommended for the A list. S.F. 2436, carried by Sen. Linda Higgins (DFL-Mpls.), provides a valuation exclusion for lead hazard reduction. The bill was recommended for the B list.

S.F. 2302, carried by Pogemiller, authorizes housing and redevelopment authorities to pledge the full faith and credit of a governmental unit to bonds issues to finance housing development projects. The bill was recommended for the A list. S.F. 2633, authored by Belanger, requires the House and Senate fiscal staff to conduct a study of the metropolitan fiscal disparities program. The measure was recommended for the A list.

## Local sales taxes considered

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) met Tues., Mar. 30, to continue reviewing bills assigned to the committee. Members recommend inclusion of the bills in the omnibus bill by recommending the measures on a scale of A through D with A having the highest priority.

Several measures relating to local sales tax were heard. S.F. 2704, sponsored by Dan Sparks (DFL-Austin), authorizes the city of Albert Lea to impose a sales

tax of one-half of one percent to be used to pay for lake improvement projects as detailed in the Shell Rock River watershed plan. S.F. 168, sponsored by Sen. Carrie Ruud (R-Breezy Point), authorizes the city of Bemidji to impose a local sales tax of one-half of one percent to be used to pay for the capital and administrative costs of the acquisition, construction and improvement of parks and trails within the city. Both bills were recommended for the A list.

S.F. 2875, authored by Sen. Dick Day (R-Owatonna), allows the city of Waseca to impose a local sales tax of one-half of one percent to pay for up to \$1.82 million in costs related to water quality and lake improvement, community center improvement, an industrial incubator and downtown improvements. S.F. 2861, carried by Sen. David Tomassoni (DFL-Chisholm), allows the city of Biwabik to impose a local lodging tax to fund increased demands for city services for the Giant's Ridge Recreation Area and associated tourism. Both bills were recommended for the C list. S.F. 2921, authored by Sen. John Hottinger (DFL-St. Peter), expands the use of local sales tax revenues in Mankato. The measure was recommended for the B list.

Three bills dealing with exemptions from sales tax were also heard. S.F. 2654, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides an exemption from sales tax for geothermal equipment. S.F. 2915, carried by Tomassoni, makes the capital equipment exemption an upfront exemption. The two measures were recommended for the C list. S.F. 2734, carried by Sen. Steve Murphy (DFL-Red Wing), allows occasional sales at flea markets and similar events to be exempt from sales tax as long as the person submits a statement that the event is the only one the person plans to participate in for the calendar year, the event lasts three or fewer days and the person anticipates making less than \$500. The measure was recommended for the B list.

Several bills relating to income tax were also reviewed. S.F. 2567, sponsored by Tomassoni, increases the charitable contribution subtraction for nonitemizers. S.F. 2476, authored by Sen. William Belanger (R-Bloomington), requires tax preparers to disclose the cost to the client of refund anticipation loans and to notify the client that electronic income tax filing results in rapid payment of the

refund to the client by the Internal Revenue Service. Both bills were recommended for the C list.

S.F. 2528, carried by Pogemiller, modifies electronic filing requirements by specifying that tax refund or return preparer does not include an organization that meets the requirements of section 501(c)(3) of the Internal Revenue Code or an individual hired by such an organization for the purpose of preparing tax returns. The bill was recommended for the A list. S.F. 2655, sponsored by Sen. Scott Dibble (DFL-Mpls.), provides a credit for expenses incurred by the taxpayer to purchase membership and pay monthly dues to a carsharing organization or to provide memberships and pay monthly dues to a carsharing organization to employees of the taxpayer. The bill was recommended for the C list.

## Power plant exemptions discussed

The morning portion of the Wed., Mar. 31, meeting of the Tax Committee concentrated on several bills relating to electric facilities. The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), uses a scale of A through E to rank bills for inclusion in the omnibus tax bill.

The committee began with consideration of S.F. 2564, sponsored by Sen. Dick Day (R-Owatonna). The bill provides that attached machinery and other personal property that is part of an electric generation facility that exceeds 150 megawatts is exempt from property tax. The bill was recommended for the A list. S.F. 1919, authored by Sen. John Hottinger (DFL-St. Peter), extends a similar exemption for an electric generation facility that exceeds 300 megawatts of installed capacity. An exemption had been granted in 2003 for the plant with a 550-megawatt capacity, and the bill provides that any expansion is eligible for the exemption. The bill was recommended for the C list. Hottinger also carried S.F. 2527, a bill that provides for the exemption from sales and use taxation of purchases for the same electric generation facility. The measure was also recommended for placement on the C list.

S.F. 2676, authored by Sen. Linda Berglin (DFL-Mpls.), provides an exemption from property tax for personal property and attached machinery of a biomass electric generation facility in Minneapolis. The measure requires the facility to generate up to 30 megawatts of



installed capacity, be designed to use at least 90 percent biomass as fuel and have its primary location at a former garbage transfer station. The bill was placed on the C list. S.F. 1956, sponsored by Sen. Sheila Kiscaden (IP-Rochester), provides a sales tax exemption for materials and supplies used in the construction, improvement or expansion of a waste-to-energy resource recovery facility in Olmsted County, if the facility uses biomass or mixed municipal solid waste as a primary fuel. Kiscaden said the facility is a model for similar facilities throughout the nation. The bill was placed on the C list.

S.F. 2969, authored by Sen. Gary Kubly (DFL-Granite Falls), extends the construction date requirement applicable to a property tax exemption for a poultry litter biomass electric generation facility and extends the sales tax exemption on construction materials for the facility. The measure was recommended for the A list. S.F. 2988, authored by Sen. Claire Robling (R-Jordan), provides a property tax exemption for attached machinery and personal property that is part of a simple-cycle, combustion-turbine electric generation facility in Shakopee. The measure was also placed on the A list.

Two measures authored by Sen. Sharon Marko (DFL-Cottage Grove) were also heard. S.F. 3014 provides an exemption for attached machinery and other personal property that is part of an electric generation facility that uses natural gas as a primary fuel. The bill was placed on the A list. S.F. 3015 provides a sales tax exemption for materials and supplies used in the construction of an electric generation facility that uses natural gas as a primary fuel.

Several bills sponsored by Sen. Steve Murphy (DFL-Red Wing) were also considered. S.F. 2532 exempts from property tax the attached machinery and personal property of a simple-cycle, combustion-turbine electric generation facility in Cannon Falls. The bill was placed on the A list. S.F. 2545 increases the class rates that apply to real and personal property of electric utilities to 2 percent of the first tier of market value and 2.5 percent of the remaining market value. The measure was recommended for the C list. S.F. 2546 eliminates the property tax exemption for pollution control equipment that is part of an electric utility system. The bill was placed

on the B list. S.F. 2547 prohibits amendment of existing rules or adoption of new rules for the determination of the value of electric utility. Murphy offered an amendment specifying that the department cannot adopt new rules for the determination of the value of electric utility until the Legislature has enacted similar provisions. The amendment was adopted. The measure was recommended for the A list.

Members also considered a bill changing the property tax treatment of seasonal recreational property. S.F. 2353, sponsored by Sen. Thomas Bakk (DFL-Cook), provides that noncommercial seasonal recreational property is subject to referendum market values and provides that referendum tax base replacement aid is reduced in FY 2006 and after by the ratio of the assessment year 2002 taxable market value of noncommercial seasonal recreational property to that year's total amount of excluded referendum market value that is classified as agricultural and noncommercial seasonal recreational property. The bill also provides that the state general levy will no longer be levied against seasonal recreational property, but will be levied against nonhomestead residential property. The measure was recommended for the C list.

Members also heard S.F. 2218, sponsored by Murphy. The bill provides a property tax exemption for the homestead of a permanently and totally disabled veteran. The measure was placed on the C list.

Several bills dealing with local government aid (LGA) were also heard. S.F. 2682, carried by Sen. Warren Limmer (R-Maple Grove), increases local government aid payments to the city of Osseo by \$250,000 over 10 years. Limmer said the funds are needed because of a stretch of highway, referred to by MnDOT as the "Devil's Triangle," that must be straightened out. The measure was recommended to the C list.

S.F. 2873, authored by Sen. Keith Langseth (DFL-Glyndon), pumps \$45 million into the LGA formula for some cities and specifies that for cities, the amount of their market value credit reimbursements under the 2003 tax bill remain permanent. The measure also provides a supplemental aid reduction for any city with a population of 1,500 or more if it receives no local government aid, and the total aid and credit reduction

experienced by the city under the 2003 tax bill was less than four percent of its city net tax capacity for taxes payable in 2003. Further, the bill specifies the reduction be taken from the city's Metropolitan Area transit aid or the Greater Minnesota transit operating grant. Several members of the committee representing suburban districts said the bill was unfair to the cities they represent. Langseth responded that the tax bill last year cut aids more to cities in Greater Minnesota. The bill was placed on the C list.

S.F. 2353, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), and S.F. 2100, sponsored by Bakk, both put an additional \$60 million into the LGA formula. The bills take \$20 million from market value credit, \$20 million from the transit formula and \$20 million from the budget reserve to make up the reductions in local government aid last year. The bills also eliminate taconite aids from the computation of city formula aid. The bills sparked a debate on local government aids and the effects of cuts enacted last year. S.F. 2353 was recommended for the C list. S.F. 3006, authored by Sen. Ann Rest (DFL-New Hope), eliminates the taconite aid offset from the local government aid formula for cities and increases the appropriations for those city aid payments by \$50 million. The bill was placed on the C list.

S.F. 2908, authored by Sen. Dallas Sams (DFL-Staples), makes some resort property subject to the limited market value provisions and modifies the calculations in the initial year of their inclusion in limit market value. Sams said, "The bill is aimed at protecting ma and pa resort operations, the type of resort that is rapidly disappearing." The measure was recommended for placement on the C list. S.F. 2354, carried by Bakk, provides that noncommercial seasonal recreational property is subject to referendum market value levies and provides that the state general levy will no longer be levied against seasonal recreational property, but will instead be levied against nonhomestead residential property. The measure was recommended for the C list.

S.F. 2958, sponsored by Hottinger, establishes an aggregate resource preservation property tax program and provides a classification for property containing unmined aggregate. The measure requires a restrictive covenant limiting use for the

# Committee update



**Senators Yvonne Prettner Solon (DFL-Duluth) and Thomas Bakk (DFL-Cook) consult with each other during a recent floor session.**

Photo by David J. Oakes

property's surface to that which exists on the date of the application and limiting its future use to the preparation and removal of the aggregate commercial deposit under its surface. Members adopted an amendment to allow cities and townships to be reimbursed for their costs. The measure was recommended for the B list. S.F. 2576, sponsored by Bakk, provides exceptions in the definition of operator for purposes of the aggregate production tax. The measure was recommended for the C list.

S.F. 1506, carried by Sen. David Tomassoni (DFL-Chisholm), increases the class rate on vacant commercial, industrial or residential property that constitutes a blighting influence. The measure also provides for an appeal process. The bill was placed on the C list. S.F. 2881,

sponsored by Sen. Dave Kleis (R-St. Cloud), provides a checkoff on the income tax return for donations to the veterans of the global war on terrorism fund. The bill was placed on the E list.

The panel discussed but made no recommendation on S.F. 2971, sponsored by Sen. David Tomassoni (DFL-Chisholm), specifies that a city of the first class may not have more than 13.5 percent of its net tax capacity within all the tax increment financing districts in the cities. Tomassoni said the bill is an attempt to rein in tax increment financing in Duluth.

## **Business, property tax bills heard**

Tax Committee members continued their review of bills assigned to the committee at a hearing Thurs., Apr. 1.

The panel, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), ranks bills on a list from A through E for possible inclusion in the panel's omnibus bill.

One of the first bills heard, S.F. 3008, modifies the definition of structurally substandard buildings for redevelopment district purposes. Under the bill, sponsored by Sen. Ann Rest (DFL-New Hope), the substandard building definition is broadened to include a building originally constructed for use as a public or private school, with 50 percent or more of the square footage constructed 30 or more years before approval of the redevelopment plan, if the plan provides for demolition or substantial renovation of the building. The measure was recommended for the A list. S.F. 2927, carried by Sen. Dallas Sams (DFL-Staples),



authorizes the Lakes Area Economic Development Authority to levy a tax. The measure was placed on the A list. S.F. 2970, authored by Sen. Cal Larson (R-Fergus Falls), increases the population size of cities permitted to hold land for economic development purposes for 15 years from 5,000 to 15,000. The measure was placed on the B list.

S.F. 2974, carried by Sen. Michelle Fischbach (R-Paynesville), authorizes the Sauk River Watershed District to increase its levy up to 0.01 percent of taxable market value for its administrative fund. The bill was placed on the A list.

Two measures were sponsored by Sen. Don Betzold (DFL-Fridley). S.F. 2457 authorizes the Anoka County Regional Railroad Authority to exercise economic development powers. The bill was recommended for the A list. S.F. 2998 defines urban renewal area and authorizes development authorities to designate urban renewal areas within a tax increment financing district. The measure was placed on the B list.

Members also heard a bill relating to biotechnology. S.F. 2270, authored by Sen. Julie Rosen (R-Fairmont), increases the amount of tax credits or exemptions that may be awarded in a biotechnology and health sciences industry zone. The measure was placed on the C list. S.F. 2945, sponsored by Sen. Mee Moua (DFL-St. Paul), converts the transit pass credit to a refund and extends it to additional employers. The measure was placed on the C list.

Sen. Steve Murphy (DFL-Red Wing) sponsored a bill, S.F. 1188, that provides that household income, rather than market value, be used as the basis for computing property taxes on homestead properties. Murphy said the bill was brought to him by the Senior Federation and is designed to prevent seniors from being taxed out of their homes. The bill was placed on the C list.

Several bills modifying corporate taxes were also heard. S.F. 1991, sponsored by Sen. Linda Berglin (DFL-Mpls.), is primarily concerned with modifying several Minnesota Family Investment Program (MFIP) provisions and making changes to Medical Assistance recovery provisions. However, the bill also contains provisions relating to corporate franchise taxes. The measure modifies the definition of foreign operating corporation, eliminates royalties, fees and other

income accrued or received from foreign operation corporations as a deduction from corporate income, and eliminates the exclusion of some wages from taxable income. The bill also prohibits dividend received deductions from the allowance on dividends, interest, royalties or capital gains received by foreign operating corporation included in deemed dividends under the unitary business principle. The bill was approved and re-referred to the Finance Committee.

S.F. 2674, authored by Hottinger, regulates business subsidies and requires the goals for the number of jobs to be created or retained to result in job creation or retention by the subsidy recipient. The measure was placed on the B list. S.F. 2801, carried by Sen. Ellen Anderson (DFL-St. Paul), prohibits businesses from taking a corporate franchise tax credit or deduction for expenses or losses incurred moving or creating jobs outside the country. The bill was placed on the C list.

Pogemiller sponsored a bill, S.F. 2651, limiting the property tax exemption for property used in tax shelter transactions and prohibiting political subdivisions from engaging in tax shelter transactions. The bill was placed on the A list. S.F. 2218, carried by Pogemiller, authorizes cities to establish water submetering programs and to finance water programs with revenue bonds. S.F. 2304, also sponsored by Pogemiller, provides that special service districts may be managed by nonprofit corporations created to assist and act on behalf of the city in implementing and providing services. Both measures were placed on the B list.

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# Committee update

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## Transportation Policy and Budget Division

### Supplemental bill approved

The Transportation Policy and Budget Division completed work for the year at a meeting Thurs., Apr. 1. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), took action on an omnibus supplemental budget article, a bill relating to highway rest areas, a technical motor carrier bill and a bill

increasing speed limits on two-lane highways.

The supplemental budget article transfers about \$3.08 million from the trunk highway fund to the general fund. The proposal changes the distribution of the motor vehicle sales tax revenue to decrease the percentage deposited in the highway users tax distribution fund, increase the amount to the county state-aid highway fund, increase the amount to the municipal state-aid street fund and place the remainder in the general fund. The measure also makes a correction in provisions relating to the reinstatement fee for license revocations for insurance violations. Under the proposal, the fee is restored to \$30, rather than \$20.

In addition, the proposal allows the commissioner to charge an applicant for a driver's license with a hazardous materials endorsement a fee of up to \$100 for the required background check. The measure also requires applicants to comply with federal regulations. Finally, the proposal allows the commissioner to grant up to \$100,000 to the Port Authority of Duluth to determine the cause of fresh water corrosion of harbor sheet piling.

Murphy said the transportation article holds counties and municipalities harmless in transferring money to the general fund. He said the House took all the money from the transit fund, while the Senate is taking from the highway fund in the hopes that a balanced bill will come out of conference committee.

Members adopted two amendments. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment to allow the Metropolitan Council to conduct a pilot project in subsidizing premium paratransit for Metro Mobility users. The amendment requires the council to make agreements with taxi providers and specifies that the user pay a base fare of \$7 for each trip, the council pay up to \$13 per trip and the user pay the portion of the fare that exceeds \$20. Sen. Scott Dibble (DFL-Mpls.) offered an amendment to alter the distribution of funds to provide funding for transit.

The proposal was approved and advanced to the full Finance Committee.

Members also approved a bill, S.F. 2557, carried by Murphy, that makes changes in provisions related to highway safety rest areas and includes a bill, authored by Sen. Sheila Kiscaden (IP-Rochester), modifying eminent domain proceedings. Betsy Parker, MNDOT, said the department does not object to the eminent domain proceedings provisions

and supports the safety rest area provisions. The bill allows the commissioner to enter into lease agreements with public or not-for-profit entities relating to the use of rest areas and travel information centers. In addition, the bill prohibits closing rest areas before July 1, 2005.

Sen. Dave Kleis (R-St. Cloud) offered an amendment to provide for the establishment of cartways. The amendment was adopted. Members also discussed an amendment, offered by Sen. Mark Ourada (R-Buffalo), requiring county review of plats of new development. Controversy over the amendment centered on a provision requiring that 30 days before filing the subdivision application, the proposed plat roadway elements be submitted to the county. Opponents and proponents disagreed on whether or not the 30 days was in addition to the required 120 day approval process or included within the 120 days. Members adopted the amendment. Members also considered an amendment, offered by Dibble, listing membership for the proposed air transportation study contained in a bill carried by Sen. Jane Ranum (DFL-Mpls.). The amendment failed to be adopted.

Murphy offered, and members adopted, an amendment specifying that no rule adopted regarding rest areas may take effect until the Legislature enacts a law continuing the legislative approval of the rule.

The bill was approved and advanced to the full Finance Committee.

In other action, the panel approved a bill, H.F. 2671, carried by Ourada, making technical changes in motor carrier regulation provisions. A bill providing for an increase in speed limits on paved two-lane highways was also discussed. The measure, carried by Sen. David Tomassoni (DFL-Chisholm), was amended to require a study, rather than increase the speed limit. In addition, the bill contained provisions reinstating the so-called "Dimler amendment." The provisions specify that insurance companies not be notified of speeding violations within 5 or 10 miles per hour of the posted speed limit. The division first acted to delete the Dimler provisions. Members then failed to approve the bill on a divided voice vote.

### Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0405.htm>



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# Senate Briefly

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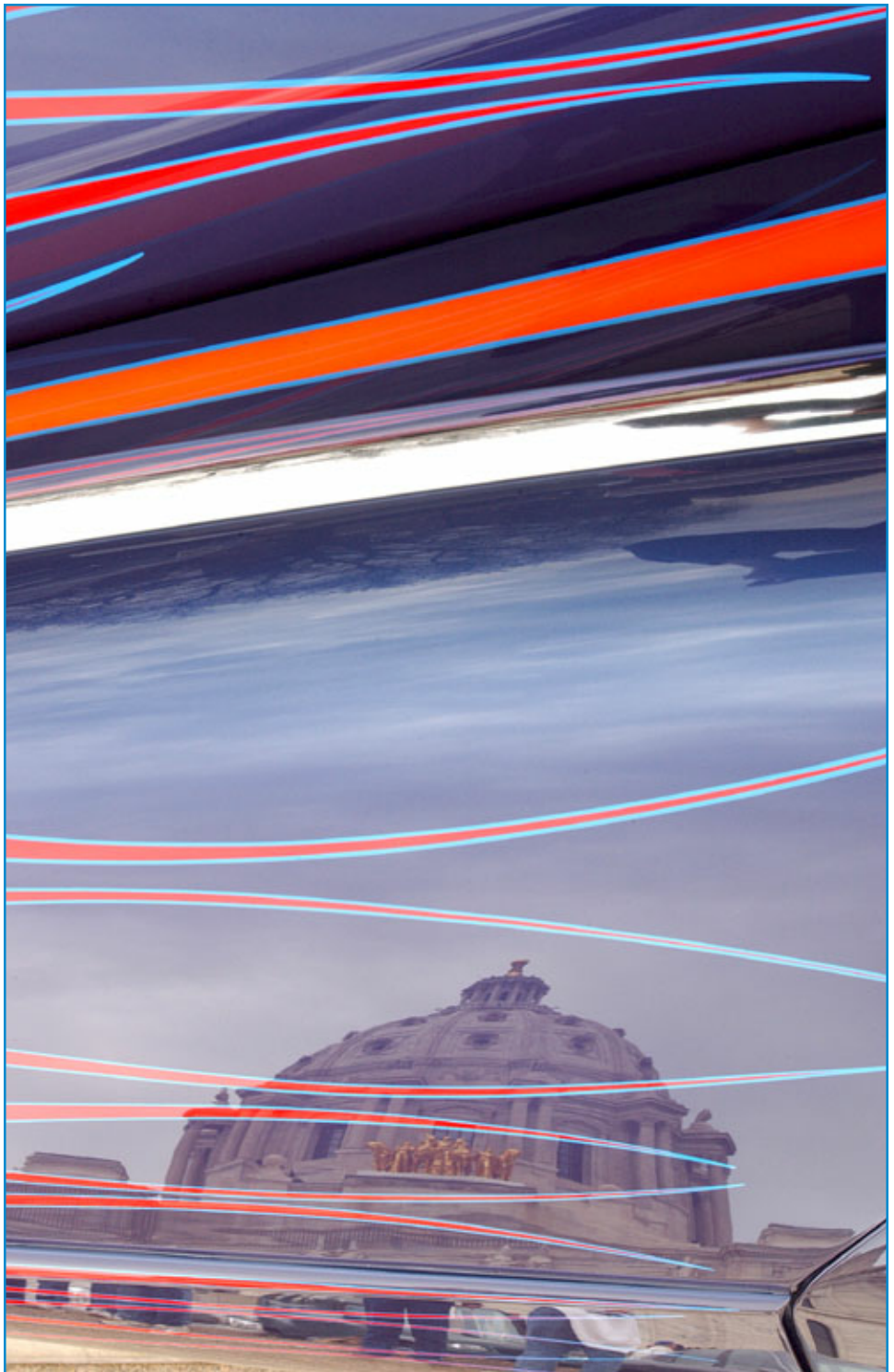
*Page 2 Budget reconciliation*

*Page 4 Supplemental budget*

*Page 10 Floor update*

*Page 10 Committee update*

*The custom paint job on the fender of a 1941 Ford Deluxe creates a surreal reflection during the Minnesota Street Rod Association's annual display of vehicles in front of the Capitol, Wed., Apr. 7.  
Photo by David J. Oakes*



*April 8, 2004*

# Budget Reconciliation

## Budget solution plan debated

A proposal to resolve the state's projected \$160 million shortfall was considered by Senators, Wed., Apr. 7. H.F. 956, carried by Sen. Richard Cohen (DFL-St. Paul), relies on spending reductions, accounting shifts and tax law revisions to balance the budget.

Cohen and Sen. Lawrence Pogemiller (DFL-Mpls.), who chair the Finance and Tax Committees, respectively, reviewed the major proposals in the bill. Cohen said the measure adopts the three percent reduction in state agency budgets proposed by the governor and adds an additional two percent cut, targeted at political appointees and official travel. He said the proposal also includes a recommendation made by two former finance commissioners to restore inflation to the biannual budget forecasts. The proposal adopts four tax law revisions recommended by the governor, Pogemiller said, and goes further than the governor in tightening so-called "corporate loopholes." He said the bill also includes a clarification of LILO/SILO provisions, which have been interpreted to allow municipalities effectively to share their tax-exempt status with taxable entities. Pogemiller said the other body is also attempting to close the LILO/SILO loophole, which has not yet been used much in Minnesota.

Members then turned their attention to several amendments to the bill. Sen. Dave Kleis (R-St. Cloud) said he agreed with the idea of having a ban on travel for all state agencies. He noted that an

exception to a ban on travel by Senators and staff was granted last year. Kleis offered an amendment extending the ban to the Legislature. The amendment was adopted on a 67-0 roll call vote. Another amendment, offered by Sen. Cal Larson (R-Fergus Falls), includes the judicial branch in the travel ban. The amendment was also adopted, 66-0. Larson offered an amendment extending the ban to the state's higher education institutions. The amendment was defeated.

Several amendments providing for exceptions to the travel ban were offered by Cohen. The bill included exceptions for criminal justice, specifically for state troopers to pursue suspects and for corrections officers to escort prisoners. The amendments provided exceptions for human services activities, for travel to the nation's capital and for visits to Minnesota soldiers serving in an active duty capacity in the armed forces. The amendments were adopted.

Cohen also offered an amendment restricting the personal use of state-leased vehicles by state employees; the amendment was adopted. Senators also adopted an amendment, offered by Sen. Linda Berglin (DFL-Mpls.), deleting a cut to the Veterans Home Board.

Sen. Dick Day (R-Owatonna) offered an amendment requiring any layoffs required by the \$12 million carry-forward reduction in the bill to be applied proportionately among classified and unclassified employees. Cohen said previous attempts to resolve the FY 04-05 budget have gone after just about everyone in the state, especially rank-and-file government employees. This plan singles out political appointees, he said, because "it is time to share the pain." The amendment was defeated, 32-35.

A provision in the bill prohibits the Supreme Court from declaring any vacancies in District Court judgeships until after June 30, 2005. Sen. Thomas Neuville (R-Northfield) offered an amendment removing the provision. Neuville estimated that about 15 vacancies will occur in the next year. Additionally, he said, the supplemental budget proposal creates a need for new judges. "There is absolutely no good policy reason" to hold vacant judgeships open, Neuville said. Sen. Warren Limmer (R-Maple Grove) said that justice delayed is justice denied. If justice is delayed too long, due to a shortage of judges, the

consequences are released suspects, he said. However, Sen. Jane Ranum (DFL-Mpls.) said criminal cases take priority in courts and civil cases are more likely to be slowed down. Neuville said a civil backlog means divorces, personal injury cases and civil commitment proceedings for sex offenders will take longer. He also noted that defendants have a right to demand speedy trial, within 60 days. Murderers will not be released, Neuville said, but lower-level offenders are likely to be released. Sen. Dennis Frederickson (R-New Ulm) said the prolonged vacancies will affect Greater Minnesota judicial districts harder than Metro Area communities. Pogemiller said the provision is about making choices. We reduced the number of lower-paid judicial employees last year, he said, including crime victim counselors. The amendment was defeated, 32-35.

Kleis offered a second amendment to reduce the Legislature's appropriation by 5 percent, or \$1.3 million for the House of Representatives and \$966,000 for the Senate. "By including the Legislature, we are truly sharing the pain," Kleis said. Cohen countered that the bill includes a cancellation of the carry forward for the Legislature, unlike other agencies, and that the Legislature took significant cuts last year. Sen. James Metzen (DFL-South St. Paul) said, "We have been leading by example and have cut our budget by about 24 or 25 percent, which is more than other agencies have been cut." The amendment failed on a 27-29 roll call vote.

Kleis offered a third amendment to provide a checkoff on state income tax forms to designate money for bonuses to veterans of the Global War on Terrorism. "This is a way to show our support for the men and women who are serving in the Global War on Terrorism," Kleis said. Sen. Don Betzold (DFL-Fridley) questioned the germaneness of the amendment. The amendment was ruled nongermane and the ruling was upheld by the Senate on a 35-32 roll call vote.

Frederickson returned to the topic of the elimination of deputy and assistant commissioner positions with an amendment authorizing the commissioner of employment and economic development to employ three deputy commissioners. Frederickson said the elimination of the positions of director of the Trade Office and director of the Office on Tourism was

***Senate Briefly*** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes





**Senators Leo Foley (DFL-Coon Rapids) and Mady Reiter (R-Shoreview) exchange ideas prior to the start of a floor session.**

Photo by David J. Oakes

unwise because the two offices are the sales force for the state. Cohen countered that there is nothing to prevent the positions being filled by individuals in the classified service. The amendment failed on a 29-37 roll call vote.

Frederickson also offered an amendment making eight exceptions to the ban on out-of-state travel by employees of the executive branch. His amendment made exceptions for the Dept. of Health, the Board of Animal Health, the Dept. of Transportation, the Dept. of Natural Resources, the Dept. of Employment and Economic Development, the Dept. of Education, the Dept. of Human Services and the Dept. of Public Safety. Frederickson said the exceptions would allow state employees to deal with a disease outbreak or a livestock disease outbreak that could threaten the entire state. Sen. Sheila Kiscaden (IP-Rochester) said the Dept. of Agriculture has told us that they cannot compete for federal

grants without travel. "We can't hamper our ability to get business done," she said. She offered an amendment to the amendment to add an employee of the Dept. of Agriculture to the travel ban exceptions. The amendment to the amendment was adopted, however the amendment failed on a 30-37 roll call vote.

As time neared for a final vote on the measure, several Senators made closing arguments. Sen. Julianne Ortman (R-Chanhassen) said, "We have a \$160 million deficit, but only in the DFL controlled Senate does that turn into \$30 million in spending. This bill raises \$190 million in revenue. Let's be clear, we are raising taxes, cutting the judicial branch, cutting the executive branch and continuing with DFL taxing and spending." Day also criticized the bill for not including a provision for a "racino." He said a racino would bring in \$100 million each year in revenue and create 1,400 new jobs.

Majority Leader Dean Johnson (DFL-Willmar) asked members for support. This proposal does not raise taxes, it balances the budget in a fair way and keeps the budget reserve intact, he said. Cohen said the measure provides a share-the-pain approach that protects education, public safety and health care.

The bill gained final passage on a 35-32 roll call vote.

### **MyBills system available**

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>

# Supplemental Budget

## Supplemental budget debated

Senators resumed their Wed., Apr. 7, session to consider the supplemental budget proposal, H.F. 2028, carried by Sen. Richard Cohen (DFL-St. Paul). The proposal includes the supplemental budget changes approved by the various budget divisions and the full Finance Committee.

Sen. Dave Kleis (R-St. Cloud) began the debate by moving to return the bill to the Finance Committee. He said the bill violates the single-subject requirement imposed by the state constitution. It is better to have separate omnibus bills for each discrete budget area, Kleis said. He noted that both bodies have traditionally used a package of six or more budget bills. Kleis also noted a 2000 decision from the Minnesota Supreme Court that struck down a provision contained in the 1997 omnibus tax bill because the section did not relate to the rest of the bill. Sen. Sheila Kiscaden (IP-Rochester) said

having only one bill shuts out Senators from participating in conference committees. Usually the conference committee for each budget bill includes the chair of the budget division, the chair of the policy committee and other Senators who have become especially knowledgeable about the area, she said. A single conference committee will not have that expertise, Kiscaden said. Cohen said having a package of several bills, which is done when the budget is originally prepared, only makes the second year of a session look substantially like the first, even though Minnesota has a two-year budget cycle. He said the bill is ready to be debated and other Legislatures have, in years past, used a super-omnibus bill for a supplemental budget. The motion to return the bill was defeated on a 30-35 roll call vote.

After an overview of the transportation section, provided by Sen. Steve Murphy (DFL-Red Wing), members

turned their attention to amendments. Sen. Sharon Marko (DFL-Cottage Grove) offered an amendment requiring management and labor in the Metro Transit strike to submit to binding arbitration. Both sides seem to have dug in their heels, Marko said, but we need to get transit moving again. Sen. Julianne Ortman (R-Chanhassen) said the Legislature should not be interfering in on-going negotiations. The balance of power under federal labor law is carefully crafted, and forcing arbitration is a mistake, she said. The amendment was adopted, 35-30.

Sen. David Hann (R-Eden Prairie) offered an amendment making permanent a prohibition on development of a southwestern Metro Area transit corridor. The corridor is a public trail now, he said, with many homes along it. Studies have shown the corridor is not viable, Hann said. Murphy said the Dept. of Transportation and Met Council need to be given flexibility in planning for transit. The



Senators Don Betzold (DFL-Fridley), left, and Richard Cohen (DFL-St. Paul) view information on a laptop computer during a recent floor session.

Photo by David J. Oakes



amendment was defeated. Sen. Mady Reiter (R-Shoreview) offered an amendment requiring Metro Area transit to be provided by a private entity. Murphy said the method was tried and failed. Transit serves a public purpose and should be publicly owned, he said. The amendment was defeated, 30-31.

An amendment, offered by Kleis, changes Minnesota's prevailing wage law, for transportation projects, to mirror federal law. Kleis said the amendment does not repeal the prevailing wage law, but offers significant and needed reforms. The amendment was defeated, 30-35. Ortman offered an amendment removing sections changing the allocation of motor vehicle sales tax revenue. She said the proposed changes need to be heard more in committee, where Senators can examine the likely results of altering the allocation formula. The changes, Ortman said, amount to a decrease in funding for roads. Murphy said the bill balances out the allocation change with federal funds tied to the adoption of 0.08 as the new drunk driving standard. The amendment was defeated, 30-35.

Another Kleis amendment provides for a 50-50 split of transit funding between the Metro Area and Greater Minnesota. Sen. Claire Robling (R-Jordan) said not everything can be split 50-50. We need to prioritize and plan for the whole state, she said, and there are times when the needs are greater in one area. The amendment was defeated, 17-48. Sen. Sean Nienow (R-Cambridge) offered an amendment transferring \$33 million in FY 05 from Met Council transit operations to the general education formula. The amendment also dedicates the remaining \$21 million appropriation to Metro Mobility. The amendment was defeated on a 23-41 roll call vote.

The K-12 education portion of the bill was outlined by Sen. LeRoy Stumpf (DFL-Thief River Falls). Stumpf said the targets the division was given were zero for the aid component and \$15 million as a levy target. The proposal also restores cuts we made to the nutrition program last year that resulted in a significant drop in lunches and milk provided students, he said. The measure also includes an eight percent reduction for the Dept. of Education. The proposal also contains language relating to an opt out of the federal No Child Left Behind Act (NCLB). The language sets conditions

that must be met before July 1, 2005, and if those criteria are met the House and Senate would pass resolutions to stay with NCLB, Stumpf said.

The members then began considering amendments to the education portion. Sen. David Tomassoni (DFL-Chisholm) offered an amendment that allows the Mountain Iron-Buhl School District to bill expenses for students from a bankrupt charter school back to the district of residence. The amendment was adopted.

Sen. Betsy Wergin (R-Princeton) offered an amendment restructuring the formula for per pupil funding. "The amendment allows for a more equitable distribution of school funds in that, in the future, no district will receive more than 1.5 times what any other district receives. The amendment will help more than 300 districts," Wergin said. Stumpf responded that since this is not a funding year, it was inappropriate to restructure the entire formula. Wergin said the amendment also allows for more funding of internet equity funding by keeping the current price for school breakfasts rather than adding more funds. Stumpf responded that one of the things the division felt very strongly about was the reinstatement of nutrition for our schools. Wergin countered that it is parents' responsibility to feed their children. "We need to have parental responsibility and rural districts need internet access," she said. The amendment failed on a 23-36 roll call vote.

Sen. John Hottinger (DFL-St. Peter) outlined the early education portion of the bill. "We were restrained in that we did not have the resources to undo the cuts from last year," he said. He said the division did not have to make additional cuts. Hottinger said the division heard compelling testimony that the best investment the state can make is in early childhood education. It has been a priority in the Senate in the past and should be a priority going forward, Hottinger said.

The higher education portion of the budget bill was outlined by Sen. Sandra Pappas (DFL-St. Paul). Pappas said the goal for the division was to support students in getting access to higher education, to assist nursing and nursing home employee education opportunities and aid for first generation students. Sen. Michele Bachmann (R-Stillwater) offered an amendment to eliminate a provision specifying that an undocumented nonciti-

zen is a resident of Minnesota for tuition purposes. Pappas opposed the amendment and said the provision is for students, who through no fault of their own were brought here, but cannot afford non-resident tuition. Bachmann responded, "Taxpayers of the state have no obligation to subsidize tuition for illegal aliens who may be subject to deportation." Reiter said, "Undocumented noncitizens are illegal aliens—people who have broken the law. It is not fair that our taxpayers have to subsidize others." However, Robling spoke in opposition to the amendment and said the students were caught in a Catch-22 situation. "Many of the students have been here for their entire K-12 education and this is their home. They need an opportunity to advance. It is to society's advantage," she said. The amendment failed on a 20-43 vote. Robling then offered an amendment tightening the definition of undocumented alien to specify the student must have graduated from a Minnesota high school and must have lived in the state. The amendment was adopted.

Sen. Julie Rosen (R-Fairmont) offered an amendment to restore funding for 4-H coordinators in every Minnesota county. "Extension services took a huge hit last year and these are vital services for Greater Minnesota," she said. Rosen said the funds would come from the tuition reciprocity savings. However, Cohen said the money from tuition reciprocity was used in the first budget resolution bill and could not be used twice. The amendment failed, 30-34.

Senators shifted their focus to the environment, agriculture and economic development provisions in the bill. Sen. Dallas Sams (DFL-Staples) reviewed the major sections of the measure. An amendment providing \$100,000 for supportive employment services for the deaf and hard of hearing and \$100,000 for employment services for persons with mental illness was offered by Sen. Scott Dibble (DFL-Mpls.). The amendment was adopted. Sen. Wesley Skoglund (DFL-Mpls.) offered, and members adopted, an amendment allowing the Dept. of Natural Resources to use vehicles with four-stroke engines.

Members then turned to the state government funding portion of the measure. Sen. Jane Ranum (DFL-Mpls.) said the measure restores funding for veterans services, adds money for the

# Supplemental Budget

Dept. of Revenue to aid in tax compliance efforts and provides support for civil legal services. The measure also includes an increase for the courts because of provisions changing sexual predator sentencing. The proposal also restores funding for three Bureau of Criminal Apprehension agents cut last year. She said the division did not support the governor's recommendation to merge the Gang Strike Force and the Drug Task Force, but the division did add funding for the Gang Strike Force. In addition, Ranum said the division fully funds the state fire marshal and restored some of the funds for victims' services.

Cohen had an amendment to remove a portion of the bill that was included in the measure inadvertently. The language had been offered by Sen. Thomas Neuville (R-Northfield) in committee but was not adopted, yet wound up in the bill by mistake. Neuville spoke against the amendment and said he had planned to offer the amendment on the floor. The provision allows \$75,000 from the lottery prize fund to be used for the North Star Problem Gambling Alliance. "The alliance's mission is to increase public awareness of problem gambling and to encourage research and prevention of problem gambling," he said. Sen. Becky Lourey (DFL-Kerrick) spoke for the amendment and said the organization's national affiliate has been investigated by the Dept. of Justice about anti-trust issues. Neuville said the alliance has no problem with the Dept. of Justice. The amendment was adopted and the language removed.

Skoglund offered an amendment narrowing a provision restricting employers' ability to ask prospective employees about their National Guard or armed forces reserve status. The amendment prohibits employers from asking about the status with intent to discriminate. The amendment was adopted.

Reiter offered an amendment removing a sick and bereavement leave provision from state employee contract ratification language. Reiter said the benefit is not part of the negotiated contracts with state employee unions. The Dept. of Employee Relations, she said, has also raised concerns regarding interpretations of the benefit. Hottinger said the amendment goes against last year's agreement regarding the employee contracts and is a cruel prohibition of a basic benefit. The amendment was defeated, 12-50.

Members adopted an amendment, offered by Sen. Steve Kelley (DFL-Hopkins), classifying investment data kept by the State Board of Investment. An amendment, offered by Kleis, proposing a constitutional amendment to provide a bonus for veterans of the Global War on Terrorism was ruled non-germane. Under Senate Rule 35.3, amendments proposing constitutional amendments are out of order if the bill does not already contain a constitutional amendment.

Nienow offered an amendment providing that the biogas recovery subsidy is available to facilities that began operating after 1999, instead of after 2001. The amendment was offered to make a single biogas recovery facility eligible for the subsidy. Ranum raised concerns regarding the fiscal impact of the amendment. The amendment was defeated on a 30-34 roll call vote. Senators later reconsidered the amendment. Ranum offered an amendment to the amendment making the date change effective July 1, 2005. The Ranum amendment to the amendment and the Nienow amendment were adopted.

An amendment, offered by Hann, removing a climate protection plan from the bill was defeated, 27-34. Hann said the plan is not needed, because Minnesota is already taking action and cannot solve the problem on its own. However, Sen. Ellen Anderson (DFL-St. Paul) said ignoring the concerns over climate change will not make the problem go away.

Sen. Brian LeClair (R-Woodbury) offered an amendment requiring Washington County to affirm a provision specifying the exact locations of court facilities in the county. Marko said the amendment is unnecessary because the state constitution requires special laws affecting one county to be approved by the affected before they take effect. The amendment was adopted, 54-7.

Kleis offered an additional amendment changing appropriations in the bill to provide additional funds for DNA analysis to track predatory sex offenders. Ranum said the additional funds are not needed, as there is no backlog of DNA awaiting analysis. The amendment was defeated, 30-34. Another Kleis amendment provides for an income tax check-off to fund a Global War on Terrorism veterans bonus. Sen. Lawrence Pogemiller

(DFL-Mpls.) questioned the germaneness of the amendment, saying the provision is better suited to an omnibus tax bill. Pogemiller also said adding a check-off to the income tax form costs about \$300,000. The amendment was ruled non-germane. The ruling on germaneness was upheld by the Senate, 37-25.

An amendment, offered by Sen. John Marty (DFL-Roseville), appropriates \$100,000 from the lottery prize fund for University of Minnesota Medical School research on problem gambling treatment. The amendment was adopted.

Nienow offered another amendment prohibiting the annexation of more than 1,000 acres of land by order and limiting annexations to one proceeding per year per property owner. The restrictions under the amendment expire June 1, 2006. The amendment was ruled non-germane.

Senators then turned their attention to the health and human services sections of the bill. Sen. Linda Berglin (DFL-Mpls.) reviewed the major provisions in the budget area. The bill provides for health care cost containment, including limits on health insurance premium growth. The bill also amends provisions relating to health care, economic supports and long-term care. Laws establishing life estate and joint tenancy liens in Medical Assistance cases are repealed, under the bill. Members adopted several technical and clarifying amendments, offered by Berglin.

Berglin offered another amendment authorizing the commissioner of human services to gather data for a new nursing facility reimbursement system. Another amendment, offered by Berglin, recertifies 20 beds in Hennepin County. Both amendments were adopted on voice votes.

Kiscaden offered an amendment to delay the effective date for mandatory ovarian cancer screening for one year and to require the commissioner of commerce to conduct a study on the mandated coverage for surveillance tests. "The scientific evidence is not complete that the procedures outlined in the bill are effective," Kiscaden said. She said the amendment provides time for doing a cost benefit analysis on the new mandate. Lourey spoke in opposition and said, "Early detection of ovarian cancer is crucial for survivability." Kiscaden countered that there is no agreement according to the National Cancer Institute on the effectiveness of the



procedures and we need time to do the cost benefit analysis. The amendment failed on a 31-34 roll call vote. Sen. Warren Limmer (R-Maple Grove) offered an amendment to the provisions requiring the creation of electronic medical records system. The amendment requires patient consent prior to the sharing of patient data across systems. The amendment was adopted.

An amendment, offered by Hann, deletes the requirement for a birth defects registry contained in the bill. Hann said the registry requires citizens to provide sensitive family information. Berglin opposed the amendment and said the provision is strongly supported by the March of Dimes. Kiscaden also opposed the amendment. This is a provision that allows for the gathering of information with the goal of preventing birth defects, Kiscaden said. In addition, Kiscaden said, the commissioner may inform the parent or guardian of the data collection and the parent or guardian may request personal identifying information be removed.

Hann argued if the data registry program is implemented, other conditions may be collected in a state data registry. "It is not a path we should follow," said Hann. Limmer supported the amendment. "Parents should have control over their child's medical information, not the state," Limmer said. The amendment failed 27-37.

Limmer offered an amendment requiring the commissioner to obtain parental consent before collecting information concerning a child born with a birth defect. Kiscaden said it is necessary to obtain information uniformly in order to conduct research and prevention activities and requiring parents to opt-in would defeat the purpose. She urged members to vote against the amendment. The amendment failed on a 29-36 roll call vote. Limmer offered a third amendment that requires compliance with state and federal law in implementing the electronic records system. The amendment was adopted.

Neuville offered an amendment relating to the counties' cost for housing

offenders referred for civil commitment. The amendment changes the date for aid to the counties and changes the counties share of the costs to 13.5 percent, rather than the 10 percent specified in the bill. The amendment was adopted.

Nienow offered an amendment specifying that a parent or guardian is entitled to full access to a minor child's health records. The amendment also specifies that a minor who is the victim of incest has consent authority. In addition, under the amendment the guardians of a child in out-of-home placement because of abuse may give consent for the child, rather than the parents. Bergin questioned the germaneness of the amendment. The chair ruled the amendment nongermane. Limmer challenged the ruling, but the ruling was upheld 39-26.

A third Nienow amendment was also defeated. The amendment specifies that the health benefits provided to Legislators and legislative staff not provide coverage for any health care service included on the list established under the bill. Berglin



Senators Steve Dille (R-Dassel), left, and Cal Larson (R-Fergus Falls) consult in the Senate Chamber.

Photo by David J. Oakes

# Supplemental Budget



**Senators Steve Murphy (DFL-Red Wing), left, and Charles "Chuck" Wiger (DFL-North St. Paul) pore over proposed legislation on the floor of the Senate.**

Photo by David J. Oakes

said the subject of health benefits is best left to bargaining units and that it would be difficult to administer a different benefit set. The amendment failed 22-44.

LeClair offered an amendment to delete the best practices provisions for persons on public health care programs. The amendment deletes the "Oregon health plan," which implements a two-tier health plan, LeClair said. It has had disastrous results in Oregon and is a horrible plan to be adopted in Minnesota, he said. Berglin opposed the amendment. She said the bill results in \$38 million in savings and would eliminate co-pays for public health patients and co-pays for drugs. The amendment failed 30-33.

Neuville offered an amendment specifying that family planning grant funds not be provided to any entity that provides abortions, but does allow funds to go to nondirective family planning services. Berglin asks for a ruling on germaneness because there is nothing in the bill relating to abortion or title X

funds. Neuville argued that it was germane because the amendment deals with health and human services funding. Berglin countered that the measure is not an omnibus spending bill, but a supplemental bill. The amendment was ruled not germane. Neuville challenged the ruling, but the ruling was upheld 42-23.

An amendment to delete the health care insurance premium cap was offered by Kiscaden. Price controls just generally don't work, she said. If we keep premium caps, insurers will have to spend down reserves, Kiscaden said, and it is just not sustainable. Berglin opposed the amendment. "We have a number of things in the bill to hold down health care costs, but often the health system gobbles those savings up and the consumer doesn't see any benefit," Berglin said. The amendment failed on a 28-36 roll call vote. Kiscaden offered another amendment to delete the expansion of MinnesotaCare to small employers. I believe the result will be that small employers will drop their

private insurance, Kiscaden said. Berglin opposed the amendment. She said many small employers are unable to provide any insurance and by bringing small employers to the table, more premium dollars will be available. The amendment failed 31-34.

An amendment providing for an alternative health benefit plan to be offered to small employers was offered by Kiscaden. It would allow carriers to offer a more limited benefit plan for small employers, she said. Berglin opposed the amendment because it would allow carriers to eliminate many items from coverage. The amendment failed on a voice vote.

Sen. Michelle Fischbach (R-Paynesville) offered an amendment to direct the commissioner to ensure compliance with the Women's Right to Know Act. Berglin questioned the germaneness of the amendment. The amendment was ruled not germane. The ruling was challenged, but sustained on a vote of 34-32.



Finally, Senators considered the criminal justice provisions in the bill. Berglin and Sen. Leo Foley (DFL-Coon Rapids) summarized the major sections. The bill adjusts funding for a variety of criminal justice programs and provides additional funding for enhanced efforts in the areas of criminal sexual conduct and methamphetamine crimes. The measure provides for a mandatory life sentence for repeat sex offenders, permits the use of polygraph examinations of offenders under supervision and changes predatory offender registration requirements, especially with regard to homeless offenders. For methamphetamine crimes, the bill regulates the sale of precursor drugs, increases related criminal penalties, places property restrictions on laboratory sites, creates a laboratory cleanup revolving loan fund and requires real estate brokers to disclose information related to methamphetamine contamination. The measure also makes numerous other changes to criminal law, related to DWI offenses, body armor reimbursement, identity theft and illicitly recording motion pictures. Public defender copayments enacted last year, and recently struck down as unconstitutional, are repealed under the bill.

Foley offered an amendment providing for the creation of a new chapter of law providing cross-references to collateral sanctions. The amendment was challenged on germaneness. The amendment was ruled nongermane and the ruling was upheld on a 56-2 roll call vote.

An amendment providing for a sentence of life-without-release for all first-degree sex offenders was offered by Kleis. The amendment also provides for indeterminate sentencing for lesser-degree sex offenders. He said the life sentence provision in the bill is a patch, but the amendment takes a meaningful step forward in controlling sex offenders. If we just do another patch, there will be another tragedy, Kleis said. Ranum said a focus on first-degree offenders is misplaced. As a prosecutor, she said, some of the fiercest violators I have ever encountered have been third-degree offenders. The amendment was not adopted, on a 30-36 roll call vote. Kleis offered another amendment triggering indeterminate sentencing with one offense, instead of on a repeat offense. The amendment was defeated, 30-35.

Sen. Mike McGinn (R-Eagan) offered an amendment creating the crimes of falsely reporting a crime and falsely reporting police misconduct. A similar provision, amended in committee, was included in the bill. Berglin said the amendment could have a chilling effect on members of the public coming forward to report police misconduct. Skoglund said the bill sets a necessarily high standard by requiring offenders to have intended to obstruct justice. McGinn said the amendment requires that police and prosecutors affirmatively prove accusations of false reporting, so concerns about citizens being charged by default are unfounded. The amendment was defeated, 32-34.

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment to delete a provision in the bill specifying that all real estate agents have an affirmative duty to disclose that property was the site of a meth lab. Current law requires sellers to disclose any adverse conditions that would interfere with the buyer's enjoyment of the property, Scheid said, and the bill appears to conflict with current law. Berglin said the amendment was discussed twice in division and defeated both times. People do not always disclose adverse conditions, Berglin said. The amendment was adopted on a 42-22 roll call vote.

Ranum offered an amendment to give victims notice that a person committed under the civil commitment process is going to be released. The amendment was adopted.

Rosen offered an amendment to replace the language relating to methamphetamine crimes with a bill she sponsored that she said is more comprehensive. The amendment provides for a mandatory minimum sentence for methamphetamine crimes and includes consecutive sentences for meth labs in the presence of children. The amendment also places more restrictions on precursor drugs, Rosen said. Foley opposed the amendment. "The amendment reinserts language that was removed in committee," Foley said. The amendment failed on a 31-33 roll call vote.

Pappas offered an amendment prohibiting the sale of violent video games. Kleis questioned the germaneness of the amendment. The amendment was ruled not germane. Kleis then offered an amendment to require offenders to pay for polygraph examinations and to make the

polygraph permissive, rather than requiring the examinations. Ranum said we want people to take the polygraph examinations, and we need the flexibility to use polygraph testing for offenders who can't pay for it. The amendment failed 30-35.

An amendment making it a crime to interfere with or obstruct a member of an ambulance service personnel crew was offered by LeClair. Pappas questioned the germaneness of the amendment, but the amendment was ruled germane. Foley said the proposal was heard in committee, but was defeated because different groups want different penalties. The amendment was adopted on a vote of 63-2.

LeClair rose on a point of order and said that he objected to the bill because the Senate was out of compliance with a rule specifying bills must comply with a budget resolution. Cohen said no budget resolution has been passed and that the bill does not increase expenditures.

President of the Senate James Metzen (DFL-South St. Paul) ruled that the point of order was not well taken. The decision was sustained on a 35-27 roll call vote.

Ortman said the bill is not balanced. This bill is \$15.5 million out of balance, she said. With the cuts in the bill, the Dept. of Revenue will have to cut their compliance activities which will result in a loss of revenue, Ortman said. Pogemiller responded that the bill specifies that tax compliance cannot be cut.

The bill was granted final passage on a vote of 35-31.

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## Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0412.htm>

# Floor update

## Noncontroversial bills passed

The Senate met briefly the morning of Mon., Apr. 5, to consider bills on the Consent Calendar. Bills on the Consent Calendar are considered noncontroversial and are ready for final passage. After working through the Consent Calendar, members recessed until the afternoon. At the afternoon session, members processed the committee reports that would bring the omnibus budget bills to the Senate floor for action later in the week.

Fourteen bills were given final passage during the first portion of the floor session. H.F. 2651, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), amends the Interstate Compact for Adult Offender Supervision by providing procedures for retaking and reincarceration of parolees and probations and delays the repeal of the compact to provide more transition time for adoption of rules under the new compact. H.F. 2455, also carried by Skoglund, authorizes a five-level correctional facility classification system.

S.F. 2449, authored by Sen. David Tomassoni (DFL-Chisholm), clarifies township levy and spending authority and defines total revenue. H.F. 1836, carried by Tomassoni, clarifies the permitting process for mineral tailing deposition into mine pits. S.F. 2422, sponsored by Sen. John Marty (DFL-Roseville), modifies regulation of PCB wastes. S.F. 2342, authored by Sen. Scott Dibble (DFL-Mpls.), provides that the county recorder may accept security deposits or guarantee payment of charges electronically.

S.F. 2453, sponsored by Sen. Becky Lourey (DFL-Kerrick), is a technical bill that regulates oxygenated gasoline, abolishes a fee and abolishes requirements and powers of the Dept. of Commerce relating to utility measuring equipment. H.F. 3005, authored by Lourey, changes the times for voting on changing county seats.

S.F. 2387, authored by Sen. Mee Moua (DFL-St. Paul), treats probation officers the same as correctional employees for purposes of assault. S.F. 2903, sponsored by Sen. David Senjem (R-Rochester), increases the threshold amount for towns required to have annual audits. S.F. 1614, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), clarifies civil liability and criminalizes harm caused to a service animal by a dog.

S.F. 2299, carried by Sen. Thomas Bakk (DFL-Cook), provides for enforcement for aboveground petroleum storage tanks and modifies field citations procedures for petroleum storage tanks. H.F. 2906, carried by Sen. Sharon Marko (DFL-Cottage Grove), authorizes the use of electronic time recording systems and increases the efficiency of payroll processing. S.F. 2609, sponsored by Sen. Jane Ranum (DFL-Mpls.), includes a mental health community representative on an education community transition team.

## Seconds-long session held

Senators met exceedingly briefly Thurs., Apr. 8, to satisfy the constitutional requirement that no more than three days, excluding Sundays, intervene between sessions. No business was conducted at the session.

## Committee Update

### Environment, Agriculture and Economic Development Budget Division

#### Omnibus provisions assembled

The Environment, Agriculture and Economic Development Budget Division met Fri., Apr. 2, to assemble the pieces of the division's omnibus supplemental bill. The panel, chaired by Sen. Dallas Sams (DFL-Staples), reviewed three articles for inclusion in the omnibus legislation.

The first article contains the proposal for the environment and natural resources, the second contains the proposal for agriculture and the third contains language for economic development. The combined articles contain a net general fund increase of \$25,000 for environment, a \$75,000 increase for agriculture and cuts amounting to \$2.15 million for economic development. Sams said overall the measure contains \$2.050 million in spending reductions.

The environment and natural resources provisions contain bills sponsored by the administration and by several Senators. The financial portions of the all-terrain vehicle bill, sponsored by Sen. Dennis Frederickson (R-New Ulm), are

included in the bill. In addition, Sen. Scott Dibble's (DFL-Mpls.) mercury switch recovery bill is included in the measure, as is Sen. Linda Higgins's (DFL-Mpls.) cathode ray tube recycling proposal. The measure also contains bills, sponsored by Sen. Thomas Bakk (DFL-Cook), providing for a comprehensive study of snowmobile use and funding, a bill specifying that marked conservation officer patrol vehicles are exempt from internal security barrier requirements, a proposal from the governor's office providing an appropriation to evaluate construction aggregate potential and a bill sponsored by Sen. Rod Skoe (DFL-Clearbrook) containing RIM reserve policy language. The proposal also contains bills relating to creating a Clean Waters Council, providing for a professional wetland delineator certification program, extending the citizen monitoring of water quality program, providing for a pilot program for alternative septic system technology and extending leases on Horseshoe Bay. Finally, the proposal contains numerous technical provisions and requirements for studies of aquatic plant management and roadside wildlife habitat.

The agriculture portion of the proposal contains an appropriation for mental health counseling support to farm families through farm business management programs at Central Lakes College and Ridgewater College. In addition, the measure contains bond appropriation of \$18 million for the Rural Finance Authority to make loans to farmers under several different programs. The measure also directs the commissioner of agriculture to give priority for surveying, testing and clean-up of industrial arsenic contamination of soil in residential neighborhoods. The measure also contains administration proposals relating to commercial manure application requirements and numerous fee increases. The bill also contains provisions allowing alien dairy farm ownership, authorizing loans for dairy modernization and providing that an agricultural operation is not a private or public nuisance if certain conditions are met.

The economic development portion of the proposal contains an appropriation reduction for the consolidation of the Dept. of Employment and Economic Development from various offices and a general reduction of \$2.5 million. The



# Committee update

measure contains appropriations for a grant to Minnesota Project Innovation to provide assistance to Minnesota businesses in obtaining federal contracts, for the Minnesota Alliance of Boys and Girls Clubs to provide programs for workforce development and for a grant for transitional housing programs. In addition, the proposal funds the Humanities Commission, specifies that base reductions in any agency's funding be distributed proportionately across the agency's accounts and preserves the authority of the Housing and Redevelopment Authority to lease townhome and condominium properties to eligible tenants.

Members adopted several amendments to the proposals. Sen. Richard Cohen (DFL-St. Paul) sponsored an amendment providing that the State Arts Board pay the same amount of per diem as other boards. Two amendments were offered by Sen. Ellen Anderson (DFL-St. Paul). The first restores funding for the community voice mail project that provides a telephone number for homeless persons to use on job and lease applications. The second specifies that employee lactation rooms be private. Cohen also sponsored an amendment reducing the non-state match for



**Senators Sheila Kiscaden (IP-Rochester) and Brian LeClair (R-Woodbury) converse in the Senate Chamber.**

Photo by David J. Oakes

funds for the Minnesota Film Board. Sen. Pat Pariseau (R-Farmington) added language requiring the commissioner to consider public safety as an element in the roadside habitat study. Bakk offered an amendment requesting bonding or other funding to help municipalities under the impaired waters portion of the bill. All of

million in FY 04-05 to fund nursing student grants, National Guard reenlistment bonuses, National Guard tuition reimbursement, tax collections, civil legal services, crime prevention efforts and health care programs. The bill is designed to have no net general fund impact, so the measure also reduces

the amendments were adopted. The articles were approved and forwarded to the full Finance Committee for inclusion in the omnibus supplemental budget bill.

The panel also approved a bill, offered by Sen. Steve Dille (R-Dassel), establishing a dairy modernization loan program and setting forth a state livestock production policy. The bill, S.F. 1941, was also approved.

## Finance

### Supplemental budget approved

Members of the Finance Committee met Mon., Apr. 5, to assemble an omnibus supplemental budget package. The proposal, H.F. 2028, was advanced to the Senate floor.

The bill, carried by Committee Chair Richard Cohen (DFL-St. Paul), consists of the supplemental budgets approved by the six budget divisions. It appropriates \$42.8

# Committee update

appropriations in other budget areas, increases fees, transfers money from other funds into the general fund and anticipates additional revenue from new tax compliance efforts.

## Health, Human Services and Corrections Budget Division

### Bill review continues

Members of the Health, Human Services and Corrections Budget Division met Fri., Apr. 2, to wrap-up their review of bills for possible inclusion in an omnibus bill. The division, chaired by Sen. Linda Berglin (DFL-Mpls.), recessed and returned late in the afternoon to consider the omnibus proposal.

A bill modifying childcare assistance was the first measure heard. S.F. 2496, sponsored by Sen. John Hottinger (DFL-St. Peter), provides a definition of quality child care and alters provisions relating to transition year child care and the sliding fee schedule. Berglin said that although the bill was very good, the fiscal impact was too great for this year. The panel amended the measure to remove the appropriations and returned the bill to the Early Childhood Policy and Budget Division.

A second bill, S.F. 2196, carried by Hottinger, was advanced to the full Finance Committee. The measure extends the sunset date for the supportive housing and manage care pilot project until June 30, 2007. H.F. 1961, sponsored by Sen. Leo Foley (DFL-Coon Rapids), was also advanced to the full Finance Committee. The bill expands the crime of first degree murder to include an offender who causes the death of a minor while committing child abuse, when the perpetrator has engage in a past pattern of child abuse upon any child.

The other bills on the division's agenda were all laid over for possible inclusion in the omnibus proposal. S.F. 2636, sponsored by Sen. Jim Vickerman (DFL-Tracy), changes a nursing facility payment rate for a facility in Jackson County. S.F. 1841, authored by Sen. Steve Dille (R-Dassel), specifies that \$5 of the marriage license fee be used to fund a Minnesota Healthy Marriage and Responsible Fatherhood Initiative. The bill further directs the commissioner of human services to create the initiative to develop a community-based collaborative

project that will test and evaluate a comprehensive strategy for promoting marriage and responsible fatherhood among unmarried urban parents who are expecting or have recently had a child.

S.F. 1991, carried by Berglin, modifies parental contributions for Medical Assistance, modifies MFIP provisions, modifies Medical Assistance estate recovery provisions and removes liens against life estates and joint tenant interests. S.F. 2513, sponsored by Sen. Paul Koering (R-Fort Ripley), modifies the definition of gross income for farm self-employed families for MinnesotaCare purposes.

S.F. 1760, authored by Berglin, is a comprehensive health care cost containment measure. The bill limits premium growth rates, requires the commissioner of health to establish annual health care expenditure limits, requires state agencies to encourage the adoption of best practices guidelines and participation in best practices measurement activities by health care providers and requires the implementation of an electronic medical record system.

S.F. 1966, carried by Sen. Yvonne Prettner Solon (DFL-Duluth), establishes a prescription drug bulk purchasing plan. S.F. 2360, sponsored by Berglin, authorizes a long-term care partnership program and authorizes programs for all-inclusive care for the elderly. S.F. 1875, also carried by Berglin, provides that a decision by a relative not to be a placement resource at the beginning of an out-of-home placement case does not affect whether the relative is considered for placement of the child at a later date.

### Omnibus bill advanced

The Health, Human Services and Corrections Budget Division reconvened late in the afternoon Fri., Apr. 2, to complete the process of assembling the division's omnibus bill. Chair Linda Berglin (DFL-Mpls.) said, "There are parts of this bill that are very good, but it is with a heavy heart that I put forward some portions of the bill." She said, "The ugly part of this bill is the cut of \$16.6 million to administrative operations of the Dept. of Human Services. I don't believe the direction we are heading is sustainable."



***Eight-year-old Jackie Drazan of St. Louis Park performs with a group of Scots highland dancers in front of the Capitol, Tues., Apr. 6, as part of Minnesota Tartan Day.***

Photo by David J. Oakes

The corrections appropriations and reductions result in a net increase of \$7.73 million, primarily for increased costs associated with changes in the sexual predator provisions and methamphetamine provisions. Funding is also increased for the Board of Public Defenders to make up for the loss of co-pay revenue and to assist with increased sex offender and methamphetamine caseloads.

The proposal also contains Berglin's bill for health cost containment, including limits on the growth of insurance premiums, health care expenditure limits, best practices and quality improvement initiatives and the implementation of an electronic medical records system. The proposal also restores some of the cuts made to health care last year and provides an option to allow small employers to enroll their employees in MinnesotaCare.

Other provisions of the bill modify Minnesota Family Investment Program



provisions and make changes in continuing care provisions.

Berglin said the bill also contains a variety of bills heard over the course of the session. One measure, authored by Sen. Sandra Pappas (DFL-St. Paul), modifies outpatient rehabilitation services, another measure, sponsored by Sen. Becky Lourey (DFL-Kerrick), provides for a lead assessment pilot projects and a third provision, carried by Sen. Linda Higgins (DFL-Mpls.), prohibits health care provider kickbacks. Other bills provide a rate increase to a Ramsey County nursing facility, require price reporting by pharmaceutical manufacturers, and modify nursing facility case mix purchasing. The proposal also contains Sen. Yvonne Prettner Solon's (DFL-Duluth) bill to provide for prescription drug bulk purchasing. The measure also includes Sen. Steve Dille's (R-Dassel) bill that establishes the Minnesota Health Marriage and Responsible Fatherhood Initiative and increases marriage license fees.

A number of amendments were offered and discussed. Sen. Paul Koering (R-Fort Ripley) offered an amendment to provide protections for workers dealing with civilly committed sexual predators. Solon offered an amendment to evaluate the new consumer-directed community support option under the home and community-based waiver programs. Another amendment, offered by Solon, requires prioritization for persons whose programs ended Jan. 1, 2004, for the distribution of funds under community support programs. All of the amendments were adopted.

Berglin also offered several amendments. One amendment provides that profits derived from the operation of wood shops at Veterans Homes be used for the benefit of the residents of the homes. Another provision requires pharmacy benefits to be explained to consumers. One amendment requires a study of mental health drugs used in correctional facilities. Another amendment allows an adult foster care provider to become the legal representative of a person for purposes of health care directives. One provision requires the commissioner of corrections to convene a working group to study issues related to reinstating a parole board. All of the amendments were adopted.

Sen. Linda Higgins (DFL-Mpls.) also offered a series of amendments. One amendment provides for a pilot program testing the statewide trauma system plan. Another amendment that made several changes to the Health Powers Act was offered and withdrawn. Instead, Higgins offered an amendment to extend the act for two years. Another amendment requires coverage for ovarian cancer screening. One amendment requires information to be disclosed about ownership of outpatient surgical and imaging centers and requires the centers to provide information to the Dept. of Health. Another amendment extends long term care insurance to local government employees. Finally, one amendment provides for a statewide public health information management system. All of the Higgins amendments were adopted.

Two amendments were offered by Sen. Julie Rosen (R-Fairmont). One amendment specifies that gamma-butyrolactone and 1,4-butanediol are not controlled substances when intended for industrial use or occurring in a natural concentration. The second amendment provides for notification about properties contaminated by a methamphetamine lab.

The measure was approved and advanced to the full Finance Committee.

## State Government Budget Division

### Budget proposal approved

The supplemental budget proposal for most state agencies was approved Fri., Apr. 2, by members of the State Government Budget Division. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), advanced the plan to the Finance Committee.

The plan has a net general fund savings of \$3.656 million in FY 04-05. It authorizes additional expenditures in the Departments of Military Affairs, Revenue, Commerce and Public Safety, as well as for the judicial branch, totaling \$19.175 million over the biennium. The plan creates general fund revenue through transfers from other funds and from \$16 million anticipated from increased tax compliance efforts authorized for the Department of Revenue. The proposal also includes several policy provisions heard by the division over the course of the year.

Members considered several amendments to the plan. One, offered by Sen. David Knutson (R-Burnsville), creates an exception to the required use of the central mailing system operated by the Department of Administration. The exception in the amendment is limited to Dept. of Public Safety renewal notices. The amendment was adopted. Another amendment adopted by the panel, offered by Sen. Richard Cohen (DFL-St. Paul), permits a court commissioner in Ramsey County to retire and serve as a retired commissioner, rather than as a retired referee. Cohen said the amendment does not create a new position and has no fiscal impact to the state. However, he said, the provision does save the county money. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment providing that state employees are entitled to paid sick and bereavement leave to care for persons who are regular members of their households. The amendment was adopted.

Knutson moved to delete a section requiring the commissioner of commerce to develop a plan to reduce greenhouse gas emissions. Minnesota cannot be an island, he said. The proposal puts forward a plan that we do not know anything about, Knutson said. If a plan is to be created, we should study the possible impacts first, including costs, job losses, feasibility and the ability of Minnesota acting alone to change the environment, he said. The motion was defeated on a 3-5 roll call vote.

In other action, division members considered S.F. 1866, carried by Sen. Linda Scheid (DFL-Brooklyn Park). The bill ratifies several labor agreements between the state and public employee unions. Chaudhary offered the sick and bereavement leave amendment to the bill. He said the benefit was part of the agreement that ended the 2001 strike by MAPE and AFSCME, but does not have to do with domestic partner benefits. However, Scheid spoke against the amendment, saying the agreements should be ratified without condition. Knutson said that if the Legislature is going to put certain contract terms into the ratification legislation, then the legislation should contain all the terms of the contracts. Julie Bleyhl, AFSCME, said the leave provision in the amendment was not part of the negotiated contract. She urged the panel not to go beyond the negotiated contract. The amendment was defeated.

# Committee update

S.F. 1866 was sent to the Finance Committee.

## Taxes

### K-12 omnibus bill gains

Members of the Tax Committee met Fri., Apr. 2, to continue reviewing bills for the panel's omnibus tax proposal. The panel recommended each bill be placed on a list, ranging from A through E, for inclusion in the omnibus bill. The committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), also reviewed the tax portions of the omnibus K-12 budget bill. A portion of the bill containing tax notice language was recommended for the committee's A list. The remainder of the K-12 budget proposal was returned to the Finance Committee.

Several measures were recommended for placement on the C list. S.F. 3000, carried by Pogemiller, modifies the allocation of income not derived from the conduct of a trade or business for income tax purposes and eliminates the nontaxability of some wages. In addition, the measure requires the commissioner of employment and economic development to issue grants to eligible business in the biotechnology and health sciences industry to support the start-up and growth of the businesses. S.F. 2850, carried by Sen. Dallas Sams (DFL-Staples), exempts materials used in the creation of movies and television shows from the sales tax. S.F. 996, authored by Sen. Mee Moua (DFL-St. Paul), converts the state general tax on commercial-industrial property to a tax based on land value. S.F. 2821, sponsored by Sen. Ann Rest (DFL-New Hope), removes the sunset on the exclusions of ready to eat meat and seafood from the definition of prepared food for sales tax purposes. S.F. 2702, authored by Sen. Julianne Ortman (R-Chanhassen), authorizes tuition expenses for the income tax education credit and eliminates the maximum credit per family.

Three measures were recommended for placement on the A list. S.F. 2105, authored by Sen. Thomas Bakk (DFL-Cook), clarifies the taconite production tax rate for commercial production of direct reduced ore and prohibits imposition of the tax for the first two years of noncommercial production of direct reduced ore. S.F. 2652, sponsored by

Pogemiller, provides a valuation exclusion for new or refurbished individual sewage treatment systems. S.F. 2999, also carried by Pogemiller, provides for the financing of Metropolitan Area transit and paratransit capital expenditures. The measure authorizes an appropriation of \$32 million from the bond proceeds fund for the Metropolitan Council's regional transit master plan and transit capital improvement program.

Finally, one bill was placed on the B list. S.F. 2900, sponsored by Sen. David Tomassoni (DFL-Chisholm), exempts the charitable donation of meals from the sales tax.

### Budget balancer heads to floor

A proposal to balance the projected budget shortfall in the current biennium was approved by members of the Tax Committee meeting Mon., Apr. 5. H.F. 956 was sent to the full Senate.

The measure, carried by Sen. Richard Cohen (DFL-St. Paul), resolves the \$160 million projected shortfall and leaves \$31 million on the bottom line through a combination of spending reductions, accounting shifts and revenue adjustments. On the spending side, the bill reduces authorized carry-forward for state agencies by \$12 million. Cohen said the currently authorized carry-forward is \$85 million. The plan also adopts the governor's proposed three percent cut to many state agencies, with the exception of the Historical Society. Cohen said the society took a disproportionate cut last year and should be spared further pain. Additionally, the plan cuts an additional two percent from agency budgets and targets the cuts at upper-level management. The bill eliminates 125 unclassified positions—38 assistant commissioners and 87 other appointees. "In a perfect world, I'm not sure I'd want to present this," Cohen said, but the pain must be shared at all levels of government. The plan also prohibits out-of-state travel and meetings at non-state-owned facilities. A provision in the bill requires any vacancies in District Court judgeships to be held open until through June 30, 2005.

Members adopted two amendments to the finance portions of the bill. One provides that the carry-forward reduction does not apply to the Attorney General's Office. Cohen said the amendment recognizes the additional responsibilities

of the office, especially regarding the handling of sex offenders. However, Sen. Julianne Ortman (R-Chanhassen) said the same consideration should apply to other criminal justice agencies, including the Departments of Public Safety and Corrections. Sen. Don Betzold (DFL-Fridley) said an additional factor is that the Attorney General's Office took deeper cuts last year than any other constitutional officer. The other amendment provides two exceptions to the travel ban—for state troopers pursuing suspects and for correctional employees escorting prisoners. Ortman said it is unrealistic and irresponsible to ban all travel by state employees. There are other incidents where out-of-state travel is necessary, she said, such as meetings with federal officials regarding education, public safety and homeland security or transportation. Ortman urged members to reconsider imposing a travel ban.

The panel then turned its attention to the tax provisions of the bill, offered as an amendment by Sen. David Tomassoni (DFL-Chisholm). The plan adopts four recommendations from the governor: accelerating the collection of sales taxes from leased vehicles, shifting cigarette tax collection to the wholesale level, defining industrial production to exclude pipelines and requiring remote sellers to collect sales tax if they do business with the state. The amendment reduces the budget of the Dept. of Revenue by \$1.7 million, in addition to the carry-forward and 5 percent reductions in the finance portion of the bill. The bulk of the revenue in the amendment comes from changing the definition of a foreign operating corporation to require the entity to have at least 80 percent of its property and payroll outside the United States and have real economic substance. The amendment was adopted.

## Frequently called numbers

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# *Senate Briefly*

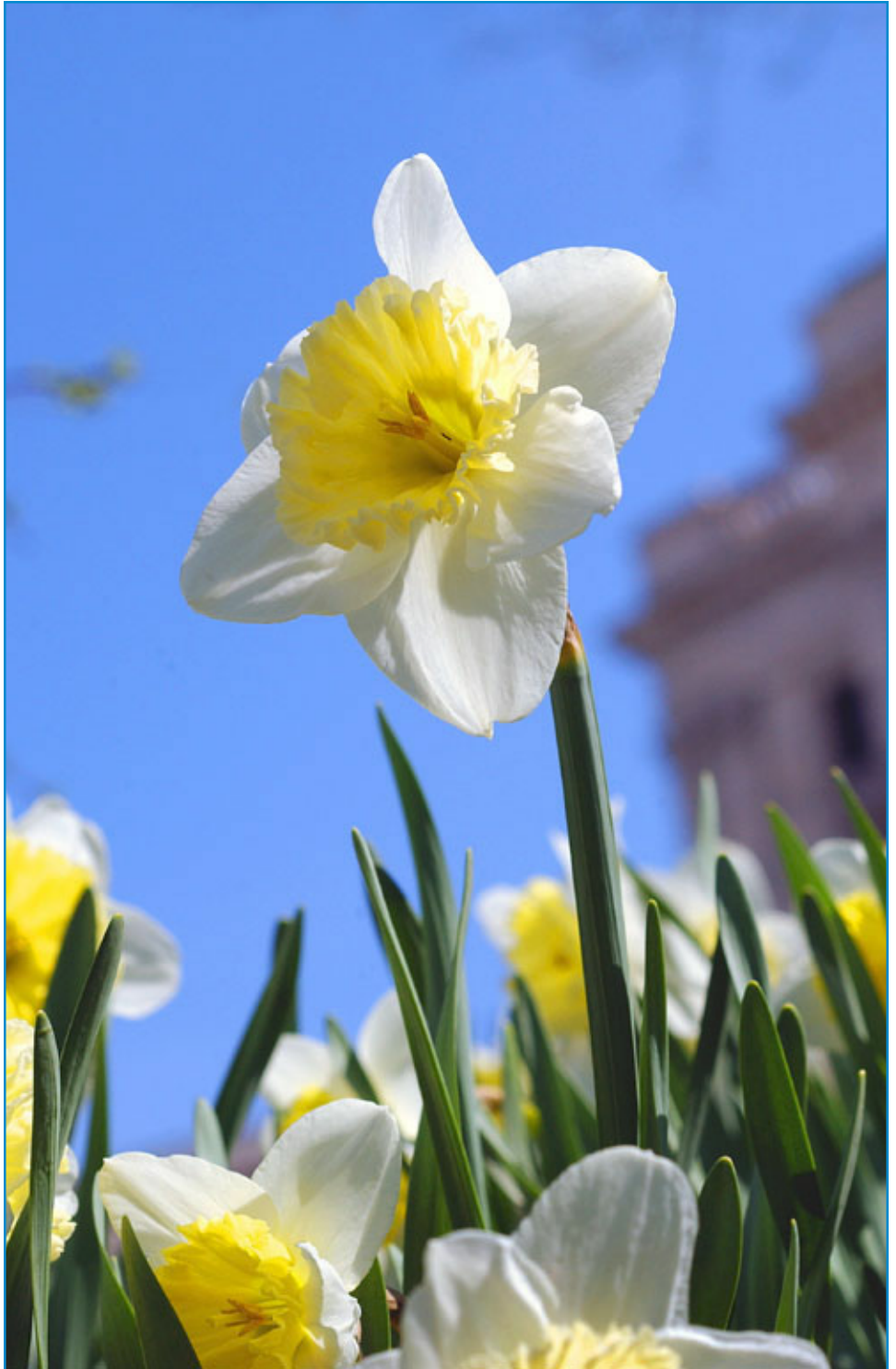
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*Page 2 Floor update*

*Page 5 Committee update*

*Daffodils in full bloom on the west side of the Capitol are a sure sign that spring has arrived.*

*Photo by David J. Oakes*



*April 16, 2004*

# Floor update

## Direct deposit, lottery bills ok'd

After returning from a long weekend, Senators assembled to take up several pieces of legislation, Mon., Apr. 12. Two bills—one relating to public employee direct deposit and the other to the state lottery director—generated the most discussion on the Senate floor.

S.F. 1787, sponsored by Sen. Dave Kleis (R-St. Cloud), permits local units of government to establish mandatory direct deposit for their payroll. Kleis said the state already has this permissive authority and many counties and cities would like the same money-saving option. Sen. David Tomassoni (DFL-Chisholm) offered an amendment providing that the language does not apply to unionized employees unless the bargaining agreement provides for mandatory direct deposit. Kleis spoke against the amendment, saying that the bill is already permissive, not prescriptive. He said the point of universal direct deposit is to save money. If a large portion of a government's employees are not involved in direct deposit, there are no savings, Kleis said.

Sen. Dick Day (R-Owatonna) offered an amendment to the amendment requiring employees to authorize the collection of union dues from their paychecks. The amendment was ruled not germane. The Tomassoni amendment was adopted. Sen. Warren Limmer (R-Maple Grove) offered an amendment permitting employees to request paper checks, effectively opting out of direct deposit. (The amendment is similar to S.F. 2133,

authored by Limmer.) Sen. Becky Lourey (DFL-Kerrick) said many people do not have checking accounts, for privacy or other reasons. Kleis spoke against the amendment, saying it defeats the objective of mandatory direct deposit. He also noted that the amendment may be detrimental to employees, since it allows the employer 30 days to comply with the request. The amendment was adopted on a 60-3 roll call vote. The bill was granted final passage, 64-0.

S.F. 2181, carried by Sen. Ann Rest (DFL-New Hope), responds to the recommendations of a legislative audit report on the State Lottery. The bill changes the appointment of the lottery director by making the director's service subject to the governor's pleasure and no longer requires the director to have experience in lottery operations. The measure also creates a lottery organization task force to study the future organization of the lottery. Sen. Mady Reiter (R-Shoreview) offered an amendment requiring any gambling operation displaying the toll-free gambling hotline phone number to also indicate that the hotline is paid for with state funds. The amendment was ruled not germane to the bill.

Sen. David Hann (R-Eden Prairie) offered an amendment abolishing the State Lottery on July 1, 2005. He said it is clear that the lottery was not managed properly. Hann said certain characteristics of the lottery make it inherently unmanageable as a state agency. It is time to end the experiment, he said. "I would hope that nobody would buy into the argument that we can get rid of the lottery," Day said. He noted that the lottery has contributed \$686 million to the general fund and \$312 million to the environment and natural resources trust fund, since 1990. Without the lottery, Day said, we need to find new revenue or make serious spending reductions. The amendment was defeated, 19-44.

An amendment requiring the lottery task force to also consider measurable performance goals for lottery operations and proceeds was offered by Sen. Jane Ranum (DFL-Mpls.). The amendment was adopted. S.F. 2181 was granted final passage on a 60-0 roll call vote.

Several other measures were also considered and granted final passage. H.F. 1944, carried by Sen. Don Betzold (DFL-Fridley), expands the grounds for extending orders for protection under the

Domestic Abuse Act to include the fact that the respondent is about to be released, or has already been released, from incarceration. Sen. Julie Rosen (R-Fairmont) sponsored S.F. 1373, which requires persons engaged in political push-polls to disclose information about the polling effort. Push-polls are polls designed to influence respondents to support or oppose a candidate, rather than to gauge respondents' current views or intentions. S.F. 1946, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides for an extended pilot project in Thief River Falls to study an industrial model for employing individuals with severe disabilities.

S.F. 1753, sponsored by Sen. Ellen Anderson (DFL-St. Paul), modifies an existing electric utility affordability program to target it at customers with the lowest incomes and highest energy costs. S.F. 1716, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), provides exceptions to the hospital construction moratorium for a facility in Itasca County and a facility in Hennepin County. Sen. Steve Kelley (DFL-Hopkins) sponsored two bills. S.F. 2141 modifies the membership of the Minnesota Commission on National and Community Service. S.F. 2222 is a resolution exhorting Congress to authorize an increase in the existing Boundary Waters Canoe Area Wilderness reservation fee for allocation to the permanent school fund.

Senators also observed a moment of silence in honor of Scott Vickerman, one of Sen. Jim Vickerman's (DFL-Tracy) six children, who died over the weekend.

## Minimum wage bill debated

Debate on a bill increasing the minimum wage dominated the Tues., Apr. 13, Senate floor session. The bill, S.F. 3, increases the state's minimum wage large employers must pay to \$5.90 per hour beginning July 1, 2004 and to \$6.65 an hour beginning July 1, 2005. Chief Author Ellen Anderson (DFL-St. Paul) said the bill retains a 25 cent differential for small employers and for a training wage.

"We have not raised the minimum wage since 1997," Anderson said, "And every year the minimum wage is worth less because of inflation. It is not a living wage." She said it takes two people working full time at the minimum wage to make enough for the bare essentials.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes





**Senators Mark Ourada (R-Buffalo), center, and David Tomassoni (DFL-Chisholm), right, engage Massimo Bonavita, a visiting Senator from Italy, in conversation on the floor of the Senate, Tues., Apr. 13.**

Photo by David J. Oakes

Anderson offered an amendment, which was adopted, removing a portion of the bill that provided for indexing the minimum wage to inflation.

Twelve other states and Washington, D.C., have higher minimum wages, she said, but the minimum wage in Minnesota is too low. She said, "In Minnesota, we now have two economies, particularly in Greater Minnesota where nearly half of all minimum wage workers live." We want to have a high road economic strategy in our state with good jobs, Anderson said. "There is no evidence that raising the minimum wage causes job loss—it will be good for our economy and good for our state," she said.

Sen. Dave Kleis (R-St. Cloud) argued that the bill should not be before members at all. "The bill has not been heard in the House and it is not going to go anywhere," he said. "If only Minnesota raises the minimum wage, we put Minne-

sota at a disadvantage with surrounding states," Kleis said. He offered an amendment specifying that Minnesota's minimum wage go up when the federal minimum wage is raised. "The amendment is a federal conformity proposal and takes partisanship out of the issue," Kleis said.

Anderson countered, "There is no reason for partisanship because the people of Minnesota don't see the minimum wage as a partisan issue. The buying power of the minimum wage reached its peak in 1968 and has been declining ever since."

Sen. Dick Day (R-Owatonna) argued, "When it comes to the minimum wage, the argument doesn't make sense. Wages should be decided by the marketplace." However, Sen. John Hottinger (DFL-St. Peter) said, "It is a basic fairness issue. Sometimes we do things out of principle, even if the other body does not grant bills a hearing."

The Kleis amendment failed on a 27-36 roll call vote.

Sen. Carrie Ruud (R-Breezy Point) offered an amendment repealing a statute providing that tips are not considered wages for purposes of the minimum wage. "The amendment recognizes that tips are wages," she said. "Not having a tip credit in Minnesota puts the state at a disadvantage," Ruud said.

Anderson opposed the amendment and said, "The amendment essentially penalizes tipped employees. The amendment puts a cap, rather than a floor, on wages and sets low wage employees against one another."

Ruud countered that the amendment guarantees that every employee earns the minimum wage. Sen. Scott Dibble (DFL-Mpls.) argued against the amendment, "This is a reach by employers into the pockets of their employees." Sen. David Knutson (R-Burnsville) said other states

# Floor update

use the tip credit and that not including it makes for a hardship on employers.

The amendment failed on a 32-34 roll call vote.

Sen. Bob Kierlin (R-Winona) offered an amendment that he said was a specialized version of the tip credit for supper clubs in border communities. Anderson opposed the amendment and said, "If someone feels tipped employees are making too much in tips, then tip less." The amendment also failed 32-34.

An amendment, offered by Sen. Michele Bachmann (R-Stillwater), specifies that the minimum wage be raised to \$9 per hour. Bachmann said an increase to \$9 per hour would allow one person to earn a living wage. Anderson said, "Obviously, the amendment is not serious; my bill is moderate and reasonable. The amendment failed on a 13-51 roll call vote.

In closing debate on the measure, Sen. Thomas Neuville (R-Northfield) said the minimum wage is not intended to be a livable wage, but an entry wage for people starting in the work force. Sen. Dean Johnson (DFL-Willmar) countered the bill is about economic fairness and economic justice. "An increase in the minimum wage is to allow the lesser among us to earn enough to live on," Johnson said.

The bill was granted final passage on a vote of 36-30.

## Overtime changes delay okayed

Meeting Thurs., Apr. 15, Senators approved a bill delaying the effect of federal overtime pay changes in Minnesota. S.F. 2413 maintains the status quo of overtime law and requires a study of the impacts of the proposed federal changes.

Sen. Dan Sparks (DFL-Austin), chief author of the bill, said the delay protects families from the uncertainties tied to the federal changes. After the Dept. of Labor and Industry has completed its study and reported to the Legislature in early 2005, he said, policymakers will be better informed about whether the state should adopt the federal changes. Sen. Dave Kleis (R-St. Cloud) said the bill should not be considered. Senators are being urged by leadership to withdraw proposals that are not moving in the other body, he said, and the companion to S.F. 2413 is not moving. Kleis offered an amendment to the bill prohibiting the payment of per diem to Legislators for any special session

held in 2004. The amendment was ruled not germane.

Over 200,000 Minnesotans could lose overtime pay under the federal changes, said Sen. Steve Murphy (DFL-Red Wing). The issue is not dead to workers, he said. However, Sen. David Hann (R-Eden Prairie) said that if a study is needed of what the effects of the federal changes are, then no one knows how many workers could lose pay. How can we know that opting out is a positive thing, he said, if we do not know what the effects of the changes are. Sen. Michele Bachmann (R-Stillwater) said the federal changes appear to benefit workers at the bottom of the pay scale. However, Murphy said the changes deprive higher paid workers of their overtime benefits in exchange.

Sen. Sean Nienow (R-Cambridge) offered an amendment delaying the opt-out until May 15, 2005. Before accepting the significant and serious implications for both employers and workers, he said, we should have the study completed first. Sparks said that some workers will lose their overtime pay under the federal changes, even though the data are not specific now. The amendment was defeated, 29-34. Sen. David Senjem (R-Rochester) offered an amendment deleting the provision delaying the federal changes. It is important to maintain consistency for our many businesses that operate in several states, he said. "There is value in the study," he said, so that we know what the many impacts of the federal changes are. The federal changes will cause people to lose their overtime pay, Sparks said. The amendment was also defeated, 28-35. S.F. 2413 was granted final passage, 35-28.

Members also granted final passage to S.F. 2009. Carried by Sen. Thomas Bakk (DFL-Cook), the bill creates a new



**Three-year-old Nangyal Dorjee, from Anoka, waves a Tibetan flag on the front lawn of the Capitol, Wed., Apr. 14, as members of the local Tibetan community stage a symbolic hunger strike in protest of the treatment of Tibetan spiritual leaders by the Chinese government.**

Photo by David J. Oakes

agency, Explore Minnesota Tourism. By removing the tourism promotion functions from the Dept. of Employment and Economic Development, he said, we are creating a stronger public-private partnership. Senators adopted two amendments, offered by Bakk, deleting a new mission statement for the agency and deleting a provision allowing the agency director to establish nonprofit corporations. Sen. Dennis Frederickson (R-New Ulm) said he supports the bill, but that Legislators need to maintain consistency of policy. He said other proposals considered by the Senate have imposed a travel ban and eliminated the tourism agency's director. "These are our best salespeople," Frederickson said, and we should not hinder their efforts. The bill was granted final passage, 63-0.



# Committee update

## Education

### Higher Ed Facilities Authority, MnSCU appointees approved

Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), met Thurs., Apr. 15, to consider the appointments of 15 people to educational boards.

The panel approved the appointments of Wilfred Antell, Ann Curme Shaw, Tyler Despina, Cheryl Dickson, Ivan Dusek, Clarence Hightower, Robert Hoffman, Vincent Ijioma, Lewis Moran, David Paskach and Shaun Williams to the Board of Trustees of the Minnesota State Colleges and Universities. The committee also approved the appointments of Kathryn Balstad Brewer, Gary Benson, Christopher Nelson and Michael Ranum to the board of the Minnesota Higher Education Facilities Authority (HEFA). HEFA assists institutions of higher education in financing construction projects, renovating existing buildings or purchasing capital equipment through the sale of tax-exempt revenue bonds. The appointments now await confirmation by the full Senate.

## Environment, Agriculture and Economic Development Budget Division

### Game and fish bill okayed

S.F. 2203, the omnibus game and fish bill, was the sole item considered at the Thurs., Apr. 15, meeting of the Environment, Agriculture and Economic Development Budget Division. Division Chair Dallas Sams (DFL-Staples) said the measure was approved last year, but did not become law. He indicated that the panel would simply consider amendments, rather than opening the bill up for more public testimony.

The bill, sponsored by Sen. Thomas Saxhaug (DFL-Grand Rapids), makes a number of changes to laws governing hunting and fishing in the state. The bill adds the mourning dove to the list of game birds that may be hunted, provides that a game refuge of under 640 acres may be established if the land borders a marsh, body of water or watercourse suitable for wildlife habitat and renames migratory waterfowl refuges as migratory waterfowl sanctuaries. The bill also provides for the loss of game and fish license privileges if a person fails to appear in court or pay a fine for violation of game and fish laws, establishes a nonresident trapping license fee of \$73, establishes a live bait retail license fee of \$15 and increases the nonresident archery deer license fee to the amount charged Minnesotans in the person's state of residence, if the amount is more than \$135.

In addition, the measure adds residents age 16 or 17 as persons eligible for the reduced rate license fee to take deer, allows a person to receive a license to take turkey by archery for a late season in a zone where 50 or more licenses were issued, prohibits the taking of albino deer, allows nonresidents to take small game by trapping on their own land, allows a

person age 11 to receive a firearms safety certificate, but specifies the certificate is not valid until the person is age 12, and allows a person over age 70 who has never received a moose license despite applying for nine seasons to be issued a moose license. Finally, the measure provides for a lead fishing tackle awareness and public information program.

Saxhaug offered an amendment to remove the provision allowing persons over 70 to be issued a moose license. He said the department is unsure of the number of individuals that would be eligible for the license. The amendment was adopted. Sen. Pat Pariseau (R-Farmington) offered an amendment to provide that persons with a lifetime deer license may use muzzle loaders. However, after some discussion, the amendment was withdrawn. Pariseau offered another amendment the panel did adopt. The amendment provides that visually impaired hunters using muzzle loaders may also use a nonmagnifying scope. Sen. Ellen Anderson (DFL-St. Paul) offered an amendment providing that the lead fishing tackle awareness and public information program is optional. The amendment was adopted. Finally, members adopted an amendment, offered by



**Senators David Knutson (R-Burnsville) and Michelle Fischbach (R-Paynesville) closely scrutinize dollars and cents during a Thurs., Apr. 15, Finance Committee hearing.**

Photo by David J. Oakes

# Committee update

Sen. Thomas Bakk (DFL-Cook), providing that a turtle license holder may transfer the license to a child. The bill was recommended to pass and advanced to the full Finance Committee.

## Finance

### Bode claim re-approved

Payment of a claim against the Department of Natural Resources was approved by the Finance Committee, Thurs., Apr. 15, as the panel took up the claims bill. Last year, the governor vetoed

the claims bill because it included payment of the claim. During the 2003 special session, a new claims bill, without the payment, was enacted.

S.F. 2038, carried by Sen. Wesley Skoglund (DFL-Mpls.), contains the recommendations of the Joint Subcommittee on Claims. The bill appropriates over \$100,000 in claims payments in FY 2005. It includes payments for claims for injuries suffered by persons performing community service or sentence-to-service work or incarcerated in correctional facilities. The measure also approves payments for three claims against the

Dept. of Natural Resources (DNR): one relating to a moratorium on the raising of sunken logs, one related to trespass fines and one related to drainage tiles.

The drainage tile claim, also known as the Bode claim, generated the only discussion on the bill. S.F. 2038 authorizes payment of \$27,000 to reimburse the Bode family for tiling destroyed by the department in 1992 and 1993. The bill also settles a point of dispute about the Bode farm by stating that a wetland on the farm is not a public waters wetland.

Skoglund said the subcommittee has dedicated

more time to this claim over the years than to any other claim. Legislators have gone out to visit the farm and examine the land, he said. The central point of the dispute between the state and the family is if the wetland is larger than 10 acres, he said. A wetland larger than 10 acres falls under state jurisdiction and cannot be drained.

The language determining that the wetland does not fall under state jurisdiction is what caused the veto last year, Skoglund said. He offered an amendment replacing the provision with language requiring an administrative law judge to determine if the wetland is a public waters wetland. Deputy Commissioner Mark Holsten said the courts have long sided with the DNR on both process and substance. The amendment only delays any final decision, he said. "It is not a pleasurable thing for any of us," he said, to be still be disputing the land and the claim. The DNR has tried to resolve the issue and offered mediation to the Bodes, Holsten said. Skoglund said the Bodes have indicated they intend to replace the drainage tile. The department, he said, has indicated it will go to court to prevent retiling the farm. An administrative hearing is a faster, cheaper way through the process, Skoglund said. However, Sen. John Hottinger (DFL-St. Peter), whose district includes the Bode farm, said that both sides are so dug in, there may never be a final resolution. "I am not sure either side is willing to let the other side 'win,'" he said. Hottinger said the only resolution may be to pay the claim. If the dispute continues after that, he said, "so be it." The amendment was adopted.

Sen. Pat Pariseau (R-Farmington) offered an amendment changing the language of the claim payment. The bill provides that the payment is to settle the claim relating to tiling. The amendment, which Pariseau offered for Sen. Dennis Frederickson (R-New Ulm), provides that the payment is for expenses incurred during the pendency of appeal of the public waters hearing panel. Craig Lindeke, counsel to the claims subcommittee, said the language effectively describes the tile installation without explicitly using the word "tile." Hottinger said the amendment appears to assign no blame to either party. The amendment was adopted on a divided voice vote. S.F. 2038 was sent to the full Senate.



Sen. Keith Langseth (DFL-Glyndon), facing camera, advises Senators Rod Skoe (DFL-Clearbrook), left, and Tom Saxhaug (DFL-Grand Rapids) in the Senate Chamber during a recent floor session.

Photo by David J. Oakes





**Senators Wesley Skoglund (DFL-Minneapolis), left, and Bob Kierlin (R-Winona) converse during a meeting of the Finance Committee, Thurs., Apr. 15.**

Photo by David J. Oakes

In other action, committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), approved three other bills. S.F. 1803, sponsored by Hottinger, enacts the Uniform Limited Partnership Act of 2001 recommended by the National Conference of Commissioners on Uniform State Laws. S.F. 806, authored by Sen. Don Betzold (DFL-Fridley), requires the chief administrative officers of the seven major retirement systems to jointly contract with a consulting actuarial firm. Both bills were advanced to the Senate floor. S.F. 676, also carried by Betzold, is the omnibus pensions bill. It was re-referred to the Tax Committee.

## Judiciary

### Appointees approved

Members of the Judiciary Committee, chaired by Sen. Don Betzold (DFL-Fridley), met briefly Mon., Apr. 12, to consider the appointments of three individuals to the Board on Judicial

Standards. The three, Jacquelyn J. Hauser, Martha Holton Dimick and Patrick D. Sexton, were all approved and the appointments were forwarded to the full Senate.

## Rules and Administration

### 'Late bills' heard

Members of the Rules and Administration Committee met Tues., Apr. 13, to decide the disposition of several bills that did not meet appropriate deadlines or were otherwise delayed from reaching the floor. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), advanced most of the measures to the Senate floor.

One bill, S.F. 2957, sponsored by Sen. Ellen Anderson (DFL-St. Paul), generated some debate. The measure limits businesses that may be granted job opportunity building zones (JOBZ) tax incentives. Sen. Sheila Kiscaden (IP-Rochester) said the bill is aimed at one

company about which there is a great deal of local controversy. Sen. Sandra Pappas (DFL-St. Paul) said the bill was supposed to be re-referred to the Tax Committee, but was inadvertently re-referred to the Rules and Administration Committee. Sen. John Hottinger (DFL-St. Peter) said that procedurally the bill did not meet the deadlines and should not proceed. Members adopted a motion by Kiscaden to lay the bill on the table.

Three additional bills were advanced to the Senate floor. S.F. 2423, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), requires automobile insurance discounts for taxi operators who complete an accident prevention course. S.F. 2080, carried by Sen. Linda Higgins (DFL-Mpls.), provides for outpatient surgical center and diagnostic imaging facility licensure and regulation. S.F. 2103, authored by Sen. Dallas Sams (DFL-Staples), modifies the nursing facility survey process.

# Committee update



Julie Prodahl and Jon Mathisrud, both from Mendota Heights, voice their opinions in the Capitol rotunda, Thurs., Apr. 15, as part of "Taxpayer Day at the Capitol," sponsored by the Taxpayers League of Minnesota. Photo by David J. Oakes

## Taxes

### Economic development bills gain

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Thurs., Apr. 15, to wrap up discussion on bills assigned to the committee this session. The panel ranked the bills on a list of A through E.

Several of the measures the committee heard relate to economic development issues. S.F. 3019, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), changes some requirements relating to a tax increment financing district in New Brighton. The changes are needed to assist Medtronic in expansion plans for a development in the northwest quadrant of the intersection of I-694 and I-35W. Chaudhary said the development is crucial to maintain a leading edge in the biotechnology industry in Minnesota. The measure was recommended for the A list.

Members also discussed a bill providing for the designation of an international economic development zone in Minnesota. S.F. 1801, sponsored by Sen. Ann Rest (DFL-New Hope), provides for a Greater Metropolitan Foreign Trade Zone Commission to designate an international economic development zone. Under the bill, an area could be designated if the federal government designates it and if a regional distribution center is developed within the zone. Rest said the bill will help keep Minnesota competitive in the

global marketplace by providing for more efficient transport of goods. She said the zone would assist the entire upper Midwest in distribution and transportation. The measure was recommended for the C list.

A bill authorizing local option sales taxes for St. Cloud area cities in order to provide revenue for a variety of regional projects was also considered. S.F. 3020, authored by Sen. Dave Kleis (DFL-St. Cloud), specifies the revenue be used for the St. Cloud Regional Airport, major transportation improvements, arts, libraries and community centers, the acquisition of park land and the St. Cloud Civic Center. The bill calls for an increase in liquor and food taxes, lodging taxes and sales taxes in St. Cloud, Sartell, Sauk Rapids, St. Augusta, St. Joseph and Waite Park. The measure was recommended for the A list.

S.F. 2478, carried by Sen. Mee Moua (DFL-St. Paul), relates to Job Opportunity Building Zones (JOBZ). The measure limits tax incentives under the JOBZ plan if the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location. The measure was placed on the A list.

A bill providing for a sales tax exemption for stoves designed to burn agricultural products or other biomass fuels was recommended for placement on the B list. S.F. 3011, sponsored by Sen. Julie Rosen (R-Fairmont), said the

measure encourages the use of stoves using biomass for both economic and environmental reasons.

Finally, members discussed a bill aimed at regulating the sale of cigarettes via the internet. S.F. 1175, sponsored by Sen. Ellen Anderson (DFL-St. Paul), requires an adult to sign for the delivery of cigarettes, requires the tobacco retailer to obtain valid identification information about the purchaser, including date of birth, and requires the distributor to ensure all state excise taxes are collected. Anderson said the measure is designed to both curtail the sale of cigarettes over the internet to underage individuals and to collect taxes on those sales. The measure was recommended for the C list.

## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0419.htm>

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# Senate Briefly

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Page 2 Highlights

Page 4 Committee update

*Clifford the Big Red Dog, of children's television fame, greets preschoolers from the Minneapolis Midtown YWCA daycare in the Capitol Rotunda during Early Childhood Read-a-thon Day, Wed., Apr. 21. Photo by David J. Oakes*



April 23, 2004

# Senate Highlights

## Special Orders bills passed

Senators devoted the Mon., Apr. 19, floor session to consideration of several bills on Special Orders. Bills on Special Orders are designated by the Majority Leader and given a third reading before being voted upon for final passage.

S.F. 1639, authored by Sen. Linda Scheid (DFL-Brooklyn Park), provides for the removal and disposal of abandoned vehicles from property used for servicing vehicles. The measure was granted final passage on a 58-9 roll call vote without debate. Later, Scheid moved to reconsider S.F. 1639 in order to allow a member to vote for the bill. The motion was adopted and the bill was again granted final passage on a 67-0 vote.

S.F. 2851, authored by Sen. Betsy Wergin (R-Princeton), prohibits the issuance of an instruction permit or a provisional driver's license to a young person if the person has been convicted of a crash related violation while driving without a permit or provisional driver's license. Wergin said the bill is aimed at prohibiting young people from driving without a license. She offered an amendment clarifying the procedure for issuance of a driver's license to a person whose permit or provisional license was revoked because of a crash related violation. Under the amendment, the commissioner may issue a license when the person reaches the age of 18 and has satisfactorily completed a formal course in driving instruction, completed an additional three months' experience operating a motor vehicle, completed the writing examina-

tion and complied with all other laws for reinstatement of a driver's license. Sen. Steve Murphy (DFL-Red Wing) spoke in support of both the amendment and the bill and said the measure was needed to prevent young people driving without permission. Questions about the bill centered on who would be caught by the bill's penalty provisions. Wergin emphasized that the bill applies only to those who are already breaking the law by driving without a permit or license.

The amendment was adopted and the bill was granted final passage on a 64-2 roll call vote.

Sen. Don Betzold (DFL-Fridley) carried the Uniform Commercial Code changes for the year. Betzold moved to use the House language in H.F. 1983 instead of the Senate language in S.F. 1805. He said that H.F. 1983 contained language that incorporates two separate bills in the Senate. He said the language is identical to the Senate language in bills awaiting action on the floor. The measure makes a number of technical changes in the Uniform Commercial Code, most of which are noncontroversial, Betzold said. H.F. 1983 was granted final passage on a vote of 66-0.

Members also discussed two measures authored by Sen. Dan Sparks (DFL-Austin). H.F. 995 makes technical and clarifying changes in the Gopher One Call Excavation Notice System. In addition, the bill modifies the notice and plan requirements before excavating around utility facilities, Sparks said. The measure was granted final passage on 67-0 vote. H.F. 2551 regulates safe deposit companies and modifies collateral requirements applicable to depositories of local public funds. Sparks offered an amendment allowing law enforcement agencies to charge a fee, not to exceed \$30, on the collection of bad checks. Sen. LeRoy Stumpf (DFL-Thief River Falls) said the amendment was needed because in changes made to provisions dealing with bad checks, law enforcement agencies were inadvertently left out of the law. However, questions about the amendment led Sparks to ask that the bill be temporarily laid on the table.

S.F. 2494, sponsored by Sen. Sharon Marko (DFL-Cottage Grove), expands the colors that school safety patrols may use to include blaze orange, florescent

yellow, and fluorescent yellow-green. The bill was granted final passage on a unanimous vote.

## Flag display bill approved

Senators met Thurs., Apr. 22, to consider several measures designated as Special Orders. Among the bills granted final passage was a measure overriding most local ordinances and homeowner association rules regarding the display of the American flag on residential property. S.F. 2593 was carried by Sen. Don Betzold (DFL-Fridley).

Sen. David Knutson (R-Burnsville) offered an amendment extending the same protection to noncommercial signs in election years. The amendment was adopted. Sen. Dennis Frederickson (R-New Ulm) offered an amendment, which was adopted, extending the flag provision to include the Minnesota flag. The amendment was also adopted. S.F. 2593 gained final passage, 64-0.

Sen. Jane Ranum (DFL-Mpls.) carried S.F. 1782, which removes the frequency restriction and eliminates the moratorium on pay equity reporting requirements by local government units. Ranum said the restriction and moratorium were mistakenly imposed last year. Sen. Claire Robling (R-Jordan) offered an amendment providing that entities that have not had any violations for 10 years need report only once every 5 years. Under the amendment, entities that have violated the pay equity law must report every three years. The pay equity law was working before the changes made last year, Ranum said, and shifting to a five-year reporting cycle encourages backsliding. Knutson said the amendment does not roll back the commitment to equitable compensation, but targets the reporting requirement to entities that have a history of non-compliance. The amendment was defeated on a 29-34 roll call vote. S.F. 1782 was granted final passage, 46-18.

H.F. 1978, carried by Sen. Mark Ourada (R-Buffalo), provides conformity to federal regulations regarding truck driver hours. The measure was granted final passage, 62-0. Betzold also sponsored S.F. 1758, which changes presumptions regarding paternity. The bill passed, 64-0. S.F. 1875, carried by Sen. Linda Berglin (DFL-Mpls.), provides that if a relative chooses not to be a placement resource at the beginning of a child out-of-home

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes





**Kelvin Ottertail, an elder from the Grand Portage Reservation, addresses members of the Early Childhood Policy and Budget Division, Tues., Apr. 20, about the importance of retaining the Dakota and Ojibwe languages. The committee was considering a resolution to revitalize native languages.**

Photo by David J. Oakes

placement case, the relative is not barred from consideration later in the case. The measure was granted final passage, 62-0.

S.F. 2265, authored by Sen. Dan Sparks (DFL-Austin), provides that an industrial loan and thrift company may not accept deposits if its owner is not permitted to own a federal savings association. Sparks offered an amendment to the bill providing that individuals are not liable to credit card companies unless they have signed an authorization for the card to be issued. Berglin said the intent of the amendment is to address situations in which an individual's name is added to an account without their knowledge. The

amendment was adopted. S.F. 2265 was granted final passage on a 64-0 vote.

Sen. Mady Reiter (R-Shoreview) carried H.F. 1861, which provides immunity to landowners who allow the public to use their land for rock climbing and cave exploration. Sen. David Hann (R-Eden Prairie) offered an amendment restricting the liability of a food manufacturer, seller or trade association for consumer weight gain or obesity. The amendment was ruled not germane to the bill. H.F. 1861 passed 63-0.

Senators also resumed their consideration of H.F. 2551, sponsored by Sparks. The bill extends the liability exemptions afforded other safe deposit companies to credit unions. Sparks withdrew an amendment he had offered during previous consideration of the legislation. Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment providing that law enforcement agencies may retain service charges for the collection of dishonored checks. The amendment was adopted. H.F. 2551 was granted final passage on a 62-0 vote.

### Tax bill discussed

The Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) devoted the entire week to hearings on the omnibus tax bill. The committee reviewed various articles to be included in the measure and discussed a plethora of amendments. At the Fri., Apr. 23, hearing, the committee heard two bills relating to the North Star Commuter Rail Project. S.F. 3044, sponsored by Sen. Don Betzold (DFL-Fridley), provides that purchases of construction materials and equipment used in commuter rail services are exempt from the sales tax. S.F. 3055, also carried by Betzold, exempts the sales of diesel fuel used to operate commuter rail systems from sales tax. Members

adopted an amendment to change the effective date and recommended the bills for placement on the C list.

### Native languages discussed

The cultural and educational importance of the Dakota and Ojibwe languages provided the focal point for discussion at the Tues., Apr. 20, meeting of the Early Childhood Policy and Budget Division. The panel, chaired by Sen. John Hottinger (DFL-St. Peter), heard extensive testimony on a resolution urging state agencies to work in concert with American Indian communities to bring existing policies and procedures into compliance in order to support the revitalization of the Dakota and Ojibwe languages and to promote educational achievement for American Indian students.

John Poupart, speaking on behalf of the Dakota Ojibwe Language Revitalization Alliance, said there are many native language initiatives across Minnesota and the nation, but all are united in the effort to preserve our native languages. "Native language is the crucible of our culture and our heritage," Poupart said. Poupart then introduced elders to speak on their experiences with American Indian languages. "The elders are the real libraries of our communities," Poupart said.

Members also heard young children demonstrate their growing competence in the use of their native languages. Gabriella Strong, a professor at the University of Minnesota, said there is a strong link between native language fluency and educational achievement.

In addition, the panel heard from several individuals who experienced the boarding school era that removed American Indian children from their families and prohibited the use of native languages. Several other groups, including tribal leaders, a representative of the Army's World War II code talkers and additional scholars, spoke before the panel. All speakers emphasized the importance of native languages as a basic medium for the transmission and survival of American Indian heritage, cultures, oral histories, spirituality and cultural values.

### Schedule available online

Next week's schedule is available online: <http://www.senate.mn/schedule/2004/0426.htm>

# Committee update

## Finance

### Green light for transportation bill

The Senate's omnibus transportation policy package gained the approval of members of the Finance Committee, Tues., Apr. 20. S.F. 2335, authored by Sen. Steve Murphy (DFL-Red Wing), was advanced to the full Senate.

The bill includes several proposals heard by the Transportation Policy and Budget Division, including provisions relating to additional revenue generation tools for rest areas, toll facilities planning, hybrid and low-emission vehicle toll exemptions, prohibitions on the use of cell phones by young drivers, driver education, unattended children left in vehicles, new booster seat requirements for children between the ages of four and nine, motorized scooter operation, primary enforcement of the seat belt law and the creation of a state aviation plan. The measure also includes recommendations from the governor for capital projects funded with trunk highway dollars.

Most of the discussion centered on amendments to the package offered by committee members, chaired by Sen. Richard Cohen (DFL-St. Paul). Murphy offered, and the panel adopted, an amendment providing a process for persons whose provisional drivers' licenses were revoked to have the license reinstated. (A similar amendment was adopted, Mon., Apr. 19, to S.F. 2851 on the Senate floor.) Another Murphy amendment allocates any revenue from a new fee imposed on vehicles carrying forest products to the trunk highway fund and a bridge inspection and signing account in the special revenue fund. The amendment was also adopted.

Sen. David Knutson (R-Burnsville) offered an amendment removing sections of the bill relating to vehicles carrying forest products. The bill allows vehicles hauling raw or unfinished forest products to travel a direct route from the place of production to the nearest 10-ton highway with a permit and without regard to most load restrictions. The only restrictions the vehicles must observe, under the measure, are seasonal restrictions, bridge and road postings and a 90,000-pound weight limitation that is increased to 98,000 pounds during the winter months. Knutson said that exempting one industry from the traditional load limitations on



**Senators Michele Bachmann (R-Stillwater) and Dick Day (R-Owatonna) chat in the Senate Chamber during a recent floor session.**

Photo by David J. Oakes

our roads sets the state on a slippery slope. He also noted that there are sound reasons for having load restrictions in the first place. Mathew Hodapp, State Patrol Troopers Association, said the increased load raises several safety concerns.

Murphy said the exemption is intended to match Wisconsin's load limitations and does require the vehicles

to have an extra axle to redistribute the weight. Betsy Parker, MnDOT, said the proposed change is better for roads than current law. If the same amount of forest product, or even up to nine percent more forest product, is carried under the new language, she said, there will be less damage to roads than there is now. The department does not object to the



language, Parker said, in part because the forest products industry is the only group offering to add an axle to its vehicles and pay a new permit fee. Wayne Brandt, representing Minnesota Forest Industries and the Minnesota Timber Producers Association, said all timber-rich states and Canadian provinces, except Oregon, have higher weight limits than Minnesota. The industry estimates that the new weight restrictions will mean 40,000 fewer truck trips per year, he said. The reduced number of trips, Brandt said, means a decreased safety risk. A motion to table the amendment was defeated on an announced 5-10 divided voice vote and the amendment was defeated.

Other provisions in the bill reclassify public safety radio communications

operators as essential state employees and create a separate bargaining unit for the operators. Sen. John Hottinger (DFL-St. Peter) offered an amendment deleting the sections. He said he had concerns regarding the "creep" of essential employee designation. The designation, Hottinger said, is usually a bargained issue, though the Legislature does have the right to act unilaterally. Murphy noted the classification is desirable because if state employees go on strike, then state troopers have to be pulled off the road to act as dispatchers. Julie Bleyhl, AFSCME, said the establishment of a separate bargaining unit and the reclassification substantially decrease the employees' bargaining power. The amendment was adopted.

In other action, committee members approved four other bills. The measures were all sent to the Senate floor. H.F. 1838, carried by Sen. Julie Rosen (R-Fairmont), permits motor carriers to operate articulated buses up to 61 feet in length. Sen. Sandra Pappas (DFL-St. Paul) sponsored S.F. 2696, the omnibus liquor bill. S.F. 1866, carried by Sen. Linda Scheid (DFL-Brooklyn Park), ratifies 10 state labor agreements and compensation plans. S.F. 2154, authored by Sen. Gary Kubly (DFL-Granite Falls), requires state agencies to use E-85 fuel in flexible-fuel vehicles. The measure penalizes state agencies if they do not use E-85 fuel for at least 75 percent of the fuel they purchase for flexible-fuel vehicles.

### Bills advance

The Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Wed., Apr. 21, and advanced a variety of bills to the Senate floor. Most of the measures were approved with little discussion, however members engaged in quite a bit of debate on the omnibus education bill. S.F. 1774, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides for education excellence, special programs and appropriates money for kindergarten through grade 12 education. Kelley offered an amendment that he said removes language in the bill that the Dept. of Education wrongly interpreted to add costs to the measure. Kelley said the fiscal note for the bill was not available, but that the amendment, relating to a change in testing methods, would result in savings. Members discussed the amendment extensively before laying the bill over in anticipation of the fiscal note.

Members did advance two bills to the Consent Calendar. S.F. 2196, sponsored by Sen. John Hottinger (DFL-St. Peter), extends the expiration date of the supportive housing and managed care pilot project until 2007. S.F. 2241, carried by Sen. Jane Ranum (DFL-Mpls.), appropriates \$117,000 to the commissioner of administration for the purpose of completing the small agency infrastructure and electronic government services projects funded through the technology enterprise fund and underway, but not completed, when the technology enterprise fund language was repealed. Ranum offered, and members adopted, an amendment specifying that any outstanding balance from the expired technology



**Senators Yvonne Prettner Solon (DFL-Duluth), left, and Sandra Pappas (DFL-St. Paul) consult during a recent floor session.**

Photo by David J. Oakes

# Committee update



**Senators Lawrence Pogemiller (DFL-Mpls.), left, and Dean Johnson (DFL-Willmar) strategize on the Senate floor.**

Photo by David J. Oakes

enterprise fund be transferred to the general fund.

Several other measures were approved and advanced to the full Senate for consideration. S.F. 1836, sponsored by Sen. David Knutson (R-Burnsville), simplifies various filing procedures and requires electronic business registration in the Office of the Secretary of State. Knutson said the bill is designed to simplify and modernize corporate filing procedures. A dairy modernization bill, S.F. 1941, is aimed at encouraging beginning milk producers to continue dairy farming, said Chief Author Steve Dille (R-Dassel). The bill provides for dairy modernization loans for the acquisition, construction, or improvement of buildings or facilities or the acquisition of equipment for dairy animal housing, confinement, animal feeding, milk production and waste management.

S.F. 2869, authored by Sen. Sheila Kiscaden (IP-Rochester), modifies license fees for radioactive and nuclear material used in the medical, research and industrial fields. Kiscaden also authored a bill, S.F. 2351, that establishes and modifies credentialing requirements for speech-language pathologists, audiologists, occupational therapists, speech-language pathology assistants, physician assistants, registered nurses, advanced practice registered nurses, dentists, dental hygienists, dental assistants, dental aides, podiatrists, alcohol and drug counselors and licensed professional counselors.

Sen. Dennis Frederickson (R-New Ulm) carried a bill, S.F. 2793, that makes a number of modifications in the off-highway vehicle provisions enacted last year. The measure provides an exemption from rulemaking, extends the availability of the off-highway damage account, modifies decal requirement, clarifies the

requirement for off-road vehicle registration, modifies restrictions on the operation of all-terrain vehicles and modifies trail designations on consolidated conservation lands.

## State and Local Government Operations

### Utility rule moratorium gains

A bill providing a moratorium on the development of new or amended rules regulating the valuation of electric utility property was approved by members of the State and Local Government Operations Committee, Mon., Apr. 19. The measure, S.F. 2547, carried by Sen. Steve Murphy (DFL-Red Wing), was advanced to the full Senate.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment, requested by Murphy, amending the bill



to allow the rulemaking process to go forward, but delaying the effective date of the rules until a regular legislative session has passed. The Legislature has usually respected the agency rulemaking process, Murphy said. The amendment was adopted. Murphy said the underlying need for the bill arose because utilities are paying fewer taxes than they historically have, primarily due to a variety of changes in tax law, and the tax burden is being shifted to local residents and other businesses. He said that in Goodhue County, Xcel Energy bore about 48.7 percent of taxes in 1994, but bears only 19.2 percent of taxes now. The bill is an attempt to ensure that local governments have an opportunity to provide input before their tax base is eroded further, he said. He said the anticipated rule change is likely to decrease the valuation of utility property, thereby decreasing the utilities' taxes payable and increasing the tax burden on other property owners.

While we appreciate the amendment, the bill is still unnecessary, said Scott Wilensky, Xcel Energy. Xcel has been trying to get the Department of Revenue

to change the rule governing property valuation for about 15 years, he said. Wilensky said the current formula sets a limit on depreciation, restricting utility property to no less than 40 percent of its original value. However, he said, many of Xcel's plants are required to be fully depreciated as part of the emissions reduction plan. The shift in tax burden from utilities to other property owners, Wilensky said, occurred for many, diverse reasons: aging plants losing their value, residential and commercial growth and property tax rate compression. During the rate compression of the 1990s, he said, Xcel was not treated differently than any other business, except for one situation in 2001 where Xcel was required to return all its tax savings to ratepayers. Wilensky said the utility has avoided litigating the valuation issue, but any further delay might mean the appeal of litigation would increase.

Committee members, chaired by Sen. Linda Higgins (DFL-Mpls.), also approved a bill providing additional protections to homeowners. S.F. 2248, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park),

provides a structure to settle drastic homeowner problems, such as mold. The bill creates a continuing education framework for builders, remodelers and inspectors, provides a statutory cure to allow builders to fix problems before the parties turn to litigation and requires costs estimates for home repairs to be presented in writing. Representatives of the Builders Association of Minnesota and the Association of Minnesota Building Officials spoke in support of the measure. S.F. 2248 was re-referred to the Tax Committee.

## State Government Budget Division

### HAVA, local fiscal note bills gain

Members of the State Government Budget Division met Wed., Apr. 20, to consider five bills. The panel, chaired by Sen. Jane Ranum (DFL-Mpls.), approved all the measures and advanced them to the Finance Committee.

Sen. Dan Sparks (DFL-Austin) carried a bill, S.F. 1666, that appropriates



Senators Julianne Ortman (R-Chanhassen), left, and Claire Robling (R-Jordan) exchange ideas during a recent floor session.

Photo by David J. Oakes

# Committee update

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federal money the state will receive for implementation of the Help America Vote Act (HAVA). The federal law imposes several requirements, including that every polling place be equipped with a voting machine to permit persons with disabilities to vote in private without assistance. Kevin Corbid, director of elections for Washington County, explained the fundamental differences between the proposal brought forward by the secretary of state and the bill. He said the bill permits the counties to purchase voting machines under contracts negotiated by the Office of the Secretary of State (OSS), rather than having the OSS purchase machines from one vendor for all 87 counties. Having multiple vendors, Corbid said, means that not every county will be calling the same place for service if problems arise on election day. He also noted that counties will be looking at long-term costs of machines, which the counties will bear, when making purchases. While everyone agrees that having machines suitable for the disabled in every precinct is the first priority for the use of federal funds, Corbid said, the bill does not make having precinct-count voting machines in every precinct the second priority. He noted that over 1,000 precincts have fewer than 100 voters. It is an inefficient use of resources, Corbid said, to place high-maintenance machines in those precincts. Sherri Mortensen-Brown said the OSS has no position on the bill.

A measure permitting local units of government to request the Dept. of Finance to prepare a local fiscal impact and fiscal benefit note regarding proposed rules was carried by Sen. David Senjem (R-Rochester). The bill provides that the department may charge the local unit up to \$35 per hour to prepare the note. In addition, S.F. 2895 stays the enactment of any proposed rule that costs any business or city with fewer than 50 full-time employees more than \$50,000 initially or on an on-going annual basis. The proposed rule may take effect, under the bill, if it is approved by the Legislature or the governor waives the requirement for legislative approval. Senjem said a similar bill was approved by both bodies last year but vetoed by the governor. He said S.F. 2895 is a watered-down version of the earlier proposal and should address the governor's concerns. Mike Hickey,

National Federation of Independent Business, spoke in support of the bill. He said there has been an explosion, over the past several years, of rules and regulations costing small business significant sums of money. "It would take a fairly onerous rule to cost a small business \$50,000," he said. The rule-making process is not broken, said Mark Ten Eyck, Minnesota Center for Environmental Advocacy. He said the bill presumes that there is a problem with most major rule changes. The current process works, he said, because when there is a problem with a proposed or enacted rule, the Legislature intervenes. Such intervention, Ten Eyck said, has been rare.

S.F. 2437, sponsored by Sen. Ann Rest (DFL-New Hope), provides for more complete implementation of the statewide central computerized filing system for recording liens on agricultural products. S.F. 2573, carried by Sen. Scott Dibble (DFL-Mpls.), transfers the responsibilities of the Office of Strategic and Long-Range Planning to the Dept. of Administration. The measure also re-establishes the technology enterprise fund and focuses the fund on capturing savings realized from technology updates to fund further updates in technology for state agencies. Sen. Dallas Sams (DFL-Staples) sponsored S.F. 1721, which regulates contracts between health care plans and care providers.

## Taxes

### County alcohol tax considered

Members of the Tax Committee, meeting Fri., Apr. 16, considered a proposal to replace the additional sales tax on alcoholic beverages with a gross earnings tax. Under the bill, S.F. 2769, all proceeds are distributed to the state's 87 counties on a per capita basis.

Sen. John Marty (DFL-Roseville), chief author, said the bill provides a way to help stem the tide of double-digit property tax increases. Bob Meyer, Blue Earth County, said the bill offers much needed funding for the many demands counties face, especially with regards to chemical dependency and abuse. He said counties need to spend more money enforcing a lower drunk driving standard and combating methamphetamine abuse.

Under current law, the additional sales tax on alcohol is set to sunset Dec.

31, 2005. Senate Counsel Pat Lien explained that the Streamlined Sales Tax Project required states to have only one rate of sales tax on all taxable products. To comply with the project's requirements, she said, the state enacted the repeal of the additional sales tax in 2001. However, Lien said, the project is still discussing the possibility of permitting additional sales taxes paid primarily at the local level. Alcohol sales may fall into that category, though some purchases are made online, she said. The repeal of the additional sales tax represents a general fund loss of almost \$24 million in FY 06 and more than \$50 million in FY 07, according to a Dept. of Revenue analysis of current law.

Members devoted a fair amount of discussion to the issue of how to distribute the funds raised from the new gross receipts tax. Sen. Thomas Bakk (DFL-Cook) said that some consideration needs to be made for counties with large seasonal shifts in population. Several Senators expressed support for allowing counties to keep the funds they raise. Sen. Mike McGinn (R-Eagan) said the alternative expedites the process and saves money in state administrative costs.

George Hoyum, Department of Revenue, said a 2003 report ([http://www.taxes.state.mn.us/special/alcoholic/publications/alcohol\\_report.pdf](http://www.taxes.state.mn.us/special/alcoholic/publications/alcohol_report.pdf)) on ways to replace the lost revenue recommended expanding existing excise taxes on alcohol. He said the acknowledged drawback to the recommendation is that excise taxes do not grow with the economy. Any reinstatement of the repealed additional tax on alcohol is disappointing, said Joe Bagnoli, representing the Minnesota Licensed Beverage Association. However, he said, the industry was aware that the state intended to replace the revenue. The bill was placed on the committee's "C" list for bills that require additional work.

Members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), then began work on the omnibus tax bill. The committee reviewed a draft proposal for the bill, which includes measures previously heard by the panel. Pogemiller said the final omnibus bill will have no net fiscal impact.



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# Senate Briefly

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Page 2 Highlights

Page 5 Floor update

Page 7 Committee update

Sen. Warren Limmer (R-Maple Grove), left, quizzes Toyota's Dan Williams as he checks under the hood of a Toyota Prius in front of the Capitol. Gasoline-electric hybrid vehicles from Toyota and Ford were on display, Tues., Apr. 27, and available for test drives to help promote proposed legislation granting purchase incentives for hybrid vehicles.

Photo by David J. Oakes



April 30, 2004

# Senate Highlights

## Tax bill debated

The Thurs., Apr. 29, Senate floor session was dominated by debate on a series of amendments to the omnibus tax bill, H.F. 2540. The bill, assembled by the Tax Committee, is revenue neutral, said chief author Sen. Lawrence Pogemiller (DFL-Mpls.). Pogemiller said nothing in the bill is necessary to solve the budget deficit. "This bill contains provisions members thought would benefit the tax structure of the state and provisions that benefit local areas," Pogemiller said. The measure also restores \$60 million in local government aid, he said.

He began by offering two amendments, both of which had numerous technical changes. In addition, the first amendment lowers distribution amount of new revenues to counties, provides for abandoned manufactured homes on leased lots, tightens green acres provisions for border cities, requires a study on city fees that have been increased as the result of cuts made last year and removes a city of Richfield tax increment financing provision that the city council decided was no longer needed. Sen. John Marty (DFL-Roseville) moved to divide the amendment and separate out the language relating to the distribution of revenue to counties. The majority of the amendment was adopted. Pogemiller said the reduced distribution in the amendment is to avoid increasing the structural deficit. Marty said the funds should go to counties. The amendment was adopted. The second amendment Pogemiller offered was also adopted.

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

Sen. William Belanger (R-Bloomington) offered an amendment relating to service clubs that operate lawful gambling and have additional property. The amendment was also adopted.

An amendment, offered by Sen. Sheila Kiscaden (IP-Rochester), allows municipalities to authorize local option sales taxes. "Many communities come to the Legislature each year to request a local option sales tax for a specific community project. The amendment eliminates the need for most communities to come to the Legislature," Kiscaden said. She said the amendment requires a local referendum before the additional sales tax goes into effect and the amendment lists the types of projects that could be funded by the local option tax. Sen. David Senjem (R-Rochester) spoke in support of the amendment. "It's all about local control and allowing cities to plan for their futures," Senjem said. Pogemiller said he had no objection to the amendment and that the issue had been around for quite some time. Members adopted the amendment on a voice vote.

Sen. Julie Rosen (R-Fairmont) offered an amendment to delete a portion of the bill setting a cap on funds spent under the JOBZ program. Rosen said setting the cap puts a premature end to a program that is of great benefit to rural Minnesota. She argued that the JOBZ program is a very important tool for Greater Minnesota and that the provision will have a chilling effect on the creation of new jobs. Pogemiller responded that the provision doesn't end the program, but that it does require the administration to figure out how much money is being spent to subsidize businesses. Sen. Dennis Frederickson said he agreed that the program is important for Greater Minnesota, but that it is also important to have accurate information on the cost of the program. He requested the amendment be withdrawn in order to draft a new amendment that would soften the language in the bill. Later in the session, Frederickson offered, and members adopted, the new amendment.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment to allow tax credits for tuition as well as the current credit for other education expenses. Ortman said the credit is needed for those families whose needs are not met by the public school system. "Our tax

code should reflect family's choice and assist them if private schools or home schooling better meets their children's needs," Ortman said. Pogemiller opposed the amendment. He said the amendment is not affordable at this time because it would cost \$8.6 million per year. In addition, he said, many people fear the credit is the beginning of the slippery slope toward vouchers. The amendment failed on a 32-34 roll call vote.

Sen. Mike McGinn (R-Eagan) offered an amendment deleting the portion of the bill restoring some of the local government aid (LGA) cuts. He said the bill takes money from the suburbs and is not fair and equitable. Pogemiller opposed the amendment and said the provision restores about one third of the cuts made last year. Sen. Dave Kleis (R-St. Cloud) also opposed the amendment and said cities in Greater Minnesota need some of the aids restored. Frederickson also opposed the amendment and said, "Last year's changes were particularly difficult for our regional centers to deal with." The amendment failed on a 16-50 roll call vote.

An amendment, offered by Sen. Sean Nienow (R-Cambridge), transfers some funds to the educational reserve fund. The amendment was adopted on a 64-0 roll call vote. An amendment, offered by Sen. Michael Jungbauer (R-East Bethel), to delete a section of the bill relating to a state aviation plan, was defeated. Kiscaden offered a second amendment to require the Dept. of Transportation, after acquiring property through eminent domain proceedings, to notify the county assessor that the property no longer belongs to the previous owner. The amendment was adopted.

Kleis offered an amendment providing for a check-off on the state income tax form for a bonus for veterans of the Global War on Terrorism. Kleis said the amendment honors our military personnel who are putting their lives on the line to protect our freedoms. Sen. Don Betzold (DFL-Fridley) argued against the amendment. He said, "Let's not go down that road because we all have projects that we would like to fund through an income tax check-off." Kleis countered that a veterans' bonus rises above other programs. The amendment was adopted on a 59-6 roll call vote.

Sen. Brian LeClair (R-Woodbury) offered an amendment to conform state





**Sen. Mee Moua (DFL-St. Paul), left, presents Patricia Ethier of St. Paul with a copy of a Senate resolution honoring her recently deceased husband, Orville, a World War II veteran who was aboard the USS Ward. The ship, which was sailing in the Pacific Ocean, is credited with firing the first American shots of the war, an hour before the Japanese attack on Pearl Harbor. The Senate approved the resolution moments earlier, Thurs., Apr. 29.**

Photo by David J. Oakes

tax treatment of medical savings accounts to federal tax treatment of the accounts. Pogemiller said it was a good idea, but would cost \$3.2 million per year. Sen. David Hann (R-Eden Prairie) said the amendment would encourage individuals to save for their retirement years. However, Sen. Linda Berglin (DFL-Mpls.) countered that health savings accounts are another way, in addition to higher co-pays and deductibles, to shift costs onto individuals. LeClair withdrew the amendment in order to prevent the body from taking a negative position on the provision.

Sen. Thomas Neuville (R-Northfield) offered an amendment allowing school boards to levy the debt service for a bond

issued after July 1, 2004, against the referendum market value of the district, rather than the net tax capacity of the district. He said one reason referendums were failing was because of the impact of the current law on farmers. "Farmers can't absorb 10 times more impact than those who live in town," Neuville said. Pogemiller agreed and said the policy is in line with the direction being taken. The amendment was adopted. Sen. Claire Robling (R-Jordan) offered an amendment deleting a provision that takes money out of the fiscal disparities pool to fund Hennepin County public defenders. Robling said it is a fairness issue because none of the other metro counties receive similar aid. Berglin countered that

Hennepin and Ramsey County's public defense operations were the only ones not taken over by the state and need the extra assistance. The amendment failed 28-38. Sen. John Marty (DFL-Roseville) sponsored an amendment deleting a section of the bill allowing an enhanced deduction for large vehicles such as SUVs or pick-up trucks. A number of members argued against the amendment. Sen. Warren Limmer (R-Maple Grove) said the exemption is for people who use the vehicles for business. The amendment failed 14-52.

Finally, Pogemiller offered an amendment to assure the measure remained revenue neutral after the addition of the various amendments. The amendment was adopted. Ortman argued against granting the bill final passage. She said the bill contains several colossally bad ideas. "It is better to not change tax policy than to impose bad policy," Ortman said. Pogemiller argued, though, that the bill will create jobs through effectively and strategically helping businesses. The bill was granted final passage on a 32-28 roll call vote.

Earlier in the day, members adopted a resolution, sponsored by Sen. Mee Moua (DFL-St. Paul), commemorating the life of Orville Ethier. Ethier was aboard the USS Ward at Pearl Harbor on Sept. 7, 1941, she said. The crew of the Ward sunk a two man submarine and fired the first shots in defense of the United States at Pearl Harbor. Ethier passed away Tues., Apr. 20, Moua said. Sen. Steve Murphy (DFL-Red Wing) supported the resolution. "Last year we honored the men of the USS Ward. The ship was a destroyer commissioned in 1918 and many of the crew were from Minnesota," he said. Exactly 3 years later, to the day, the USS Ward was cut in half by a Japanese plane, yet they didn't lose a man, Murphy said. Sen. Jim Vickerman (DFL-Tracy) and Frederickson also spoke in support of the resolution. The Senate recessed for a few minutes in order to salute the survivors of the USS Ward seated in the Senate Gallery before proceeding with the day's business.

### **Yecke appointment rejected**

The governor's appointee to head the Department of Education was rejected by a Senate panel, Tues., Apr. 27. Members of the Education Committee, chaired by Sen. Steve Kelley (DFL-Hopkins), voted

# Senate Highlights



**Commissioner of Education Cheri Pierson Yecke, left, expresses gratitude to Sen. Michele Bachmann (R-Stillwater) for her support. The Education Committee held a confirmation hearing, Tues., Apr. 27, and recommended that Yecke not be confirmed.**

Photo by David J. Oakes

to recommend the Senate not confirm Cheri Pierson Yecke as commissioner of education. The vote came after the panel's second hearing on the topic.

Committee members began by hearing briefly from members of the public speaking for and against Yecke's confirmation. The panel then engaged the commissioner in a long discussion covering a wide-ranging array of issues, including high-stakes testing, the impact of the No Child Left Behind (NCLB) Act on Minnesota education, the Minnesota Student Survey, all-day kindergarten, early childhood education and balancing the interests and desires of the education establishment, parents and state policymakers. Committee members also discussed Yecke's professional writings, including a recent book, and department activity during the first year of the commissioner's tenure.

Sen. Geoff Michel (R-Edina) said the discussion had focused heavily on matters of style. Some people have expressed a desire for the commissioner to be a healer or a bridge-builder, he said, but we have

yet to hear that Yecke lacks the appropriate experience or qualifications to be commissioner of education. While committee members and some in the public have policy differences with the governor, Michel said, "we should not transfer the policy debate onto the shoulders of the governor's commissioner." Sen. Gen Olson (R-Minnetrista) said policymakers should not cast aside anyone who is committed to improving education. "No one has been more engaged and faced with more issues than this commissioner," she said.

Education is a polarizing issue at all levels, and having a debate over policy is not unhealthy, said Sen. David Hann (R-Eden Prairie). Saying that only one set of ideas or one perspective is not polarizing or not divisive is improper, he said. Hann said it is not the Senate's job to conduct a performance evaluation of the commissioner. That is governor's job, he said, since he appointed her and he can dismiss her. No one has been more vigorous in opposing state compliance with NCLB and the governor's support for the federal

law, Sen. Michelle Bachmann (R-Stillwater) said of herself. The significant policy disagreement, however, has not lessened her support of Yecke, Bachmann said. She said Senators should respect the process that brought the governor and commissioner to power. It is now our job to make the arguments that their policies are wrong where it comes to NCLB, Bachmann said.

The qualifications to be a commissioner are broader than items on a resume, said Sen. Jane Ranum (DFL-Mpls.). The challenge for the commissioner is to address what is causing polarization over education policy, she said. Sen. Sandra Pappas (DFL-St. Paul) said she was not sure who the "real" Yecke was. It is clear, Pappas said, that the commissioner is bright and articulate, but there are many contradictions in her statements and writings. To be effective as an education commissioner, she said, Yecke needs to be able to bring people together, not just say that she wants to bring them together.

Sen. David Tomassoni (DFL-Chisholm) said the hours the committee



has devoted to the confirmation are indicative of a broader problem. Something very polarizing is going on in Minnesota over education issues, he said. Sen. LeRoy Stumpf (DFL-Thief River Falls) suggested that one way to depoliticize education is to re-establish the Board of Education, which was dissolved in 1998. Kelley said that while it is important for the commissioner to recognize that she is at the center of a perfect storm of education issues, she is not alone in that position. Parents, teachers, students and even lawmakers are faced with the same issues and pressures, he said. Both the governor and the Senate have powers, not rights, in the appointment process, Kelley said, and both need to act responsibly. He said he was concerned about language used by Yecke and others indicating an inherent conflict between teachers and the broader community. No indications of any real conflict present themselves, Kelley said. "I don't think teachers want something fundamentally different from parents," he

said. Kelley said he is not looking for a healer as commissioner, but that the commissioner should not be an active divider of Minnesotans.

The panel rejected, on similar 4-6 roll call votes, motions to recommend the Senate confirm Yecke and to make no recommendation to the Senate. Committee members then approved, 6-4, a motion to recommend the Senate not confirm the commissioner.

## Floor update

### Appointments confirmed

Members gathered for a floor session Mon., Apr. 26, to consider confirmation of several gubernatorial appointees and to discuss several bills on Special Orders.

The session began with the consideration of the appointments. Sen. Jim Vickerman (DFL-Tracy) moved that the

appointments of Mahesh Kumar and John Whitten to the Board of Animal Health be approved. Members also confirmed the appointment of Lisa Heggedahl and Julian Sjostrom to the Minnesota Rural Finance Authority and of Gene Hugoson as commissioner of agriculture.

Vickerman also moved to recommend the appointment of Jeffery Olson as commissioner of the Dept. of Veterans Affairs. The appointments of Frank Budd, Mel Euteneuer, Lawrence Greenberg, Jeffery Johnson and Dan Williams to the Minnesota Veterans Homes Board of Directors were also approved.

Members also approved a Vickerman motion to confirm William Barbknecht, Patricia Davies, Gerald Dexter, James Hynes, Donald McHale, Peggy Moon and Howard Register as members of the Gambling Control Board. Appointees to the Minnesota Racing Commission, Darcy Hitesman, Lynn Johnson, Scott LeDoux, Robert McNamara, Kathleen Preece, William Robinson and Kristine Sundberg, were also approved.



*Senators Jim Vickerman (DFL-Tracy), left, and James Metzen (DFL-South St. Paul), center, consult with the Senate Secretary Patrick Flahaven prior to the start of the Thurs., Apr. 29, floor session.*

Photo by David J. Oakes

# Floor update

The confirmation of several appointments to the Board of the Arts was moved by Sen. Linda Higgins (DFL-Mpls.). Matthew Anderson, Sarah Caruso, Yvonne Condell, Diana Lewis, William Miller, Edward Oliver, Chris Osgood and Pamela Perri Weaver were all approved for the board. Higgins also moved that the appointment of Raymond R. Krause as chief administrative law judge for the Office of Administrative Hearings be approved.

Sen. Don Betzold (DFL-Fridley) moved that the Senate confirm the appointments of Martha Holton Dimick, Jacquelyn Hauser and Patrick D. Sexton to the Board on Judicial Standards. The appointments were approved.

Members next turned to the consideration of bills on Special Orders. The only measure sparking debate was S.F. 2134, sponsored by Sen. Ann Rest (DFL-New Hope). The bill modifies provisions regulating joint self-insurance employee health and disability benefit plans. Rest said the measure alters a requirement that there be 1,000 employees before the plans could be formed to just requiring coverage for 1,000 persons. The bill also exempts the plans from accident and health insurance requirements relating to the continuation of benefits to survivors and the provision of benefits for disabled employees. Sen. Linda Berglin (DFL-Mpls.) offered an amendment removing the portion of the bill allowing the discontinuation of COBRA benefits for survivors of a deceased employee and the provisions allowing the discontinuation of coverage for disabled employees. Berglin said the two provisions will place a greater burden on other state health insurance programs. Rest opposed the amendment and said the provisions add flexibility to the self-insurance programs. Sen. Sheila Kiscaden (IP-Rochester) supported the amendment. Kiscaden said the consequences would be very significant if more people were forced into the Minnesota Comprehensive Health Association (MCHA) or had to go without coverage. The amendment was adopted on a 32-31 roll call vote.

Kiscaden offered an amendment clarifying the definition of seasonal employee under the bill. The amendment was adopted and the bill was given final passage.

Senators also granted final passage to two measures sponsored by Higgins. S.F.

2177 modifies the method for determining a municipality's affordable and life-cycle housing opportunities amount and modifies the basis on which nonparticipating municipalities elect to participate. H.F. 1645 is the Minnesota Museum Property Act and provides for the disposition of abandoned property or property loaned to a museum. The measure provides a process for establishing ownership of property loaned to museums or archives repositories and unclaimed for many years in order to allow the museum or repository to conserve, store or dispose of the property.

S.F. 2365, carried by Sen. Steve Kelley (DFL-Hopkins), modifies the reporting system for adverse health care events and requires other medical boards to make similar reports to the Dept. of Health. S.F. 806, authored by Betzold, requires the chief administrative officers of various state retirement plans to jointly contract with an established actuarial consulting firm to conduct annual actuarial valuations and related services for the plans. In addition, the bill requires the contract be subject to the review and approval of the Legislative Commission on Pensions and Retirement.

Rest authored a second bill, S.F. 1922, that prohibits homeowners insurers from declining to issue or refusing to renew homeowners insurance based on the existence of a day care services on the property to be covered. S.F. 1115, sponsored by Sen. Dallas Sams (DFL-Staples), prohibits telephone companies or telecommunications carriers from including on customer bills charges for services on behalf of third party service providers without customer authorization.

Senators also granted final passage to one bill on the Consent Calendar. S.F. 2241, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides an appropriation to the commissioner of administration for the purpose of completing small agency infrastructure and electronic government services projects funded through the technology enterprise fund but not completed when the enabling legislation was repealed.

## Gambling proceeds to pay for veterans' trips to war memorial

Senators met briefly Wed., Apr. 28, to consider the omnibus charitable gambling bill, H.F. 2521. The only

provision in the measure sparking discussion was language permitting veterans organizations to use gambling proceeds to send World War II veterans to the dedication of the national World War II Memorial in Washington, D.C. The bill limits spending to \$1,500 per person and \$6,000 per local veterans organization.

Several members, including Sen. Dennis Frederickson (R-New Ulm) and Sen. Cal Larson (R-Fergus Falls), spoke in support of the provision and stressed the urgency in approving the bill. The dedication ceremonies for the national memorial occur May 27 to 30. Sen. Mady Reiter (R-Shoreview) offered an amendment to the bill requiring gambling organizations displaying the statewide compulsive gambling toll-free phone number to indicate that the hotline is paid for with state funds. Chief Author Jim Vickerman (DFL-Tracy) spoke against the amendment. Vickerman said his objection was not on the merits of the amendment, but on the need to pass the bill without Senate amendment. Any amendment, he said, delays final passage of the bill and the most important provision, the memorial spending. The amendment was not adopted. H.F. 2521 was granted final passage, 64-0.

## Educational Videos Available

Three videos, "Discover the Capitol," "Power in the Process: The Anti-Hazing Law," and "Rules, Laws and the Process," can now be accessed through the Legislature's website at <http://www.leg.mn/leg/youth/video.htm>

These videos are excellent sources of information on the history of the State Capitol, how laws are made in Minnesota and how even the state's youngest citizens can get involved in the legislative process.

For more information contact Senate Media Services at (651) 296-0264.

## MyBills system available

The MyBills personalized bill tracking system is now available. Users can add House and Senate bills to their lists by bill number, subject, or author, and view the legislative status of their bills, with items with significant current floor action highlighted. Users can modify their lists at any time. The MyBills system is available from the Legislative website at: <http://www.house.mn/leg/billslogin.asp>



# Committee update

## Environment and Natural Resources

### Appointees approved

Three of the governor's appointees to environmental boards were approved by the Environment and Natural Resources Committee, Wed., Apr. 28. The panel, chaired by Sen. John Marty (DFL-Roseville), advanced the nominations to the full Senate.

The appointees were Michelle Beeman and Dennis Jensen to the board of the Minnesota Pollution Control Agency and Jerome Deal as chair of the Board of Water and Soil Resources.

Committee members also considered S.F. 3022, sponsored by Sen. Thomas Bakk (DFL-Cook). The measure provides a process for building an iron nugget manufacturing plant on the site of the LTV mine in Hoyt Lakes. The bill allows the existing permit for a taconite processing facility at the mine to be amended. Members rejected, on a 3-8 roll call vote, an amendment, offered by Sen. Sean Nienow (R-Cambridge), removing an exemption from environmental review for the plant. S.F. 3022 was advanced to the full Senate.

## Environment, Agriculture and Economic Development Budget Division

### DNR housekeeping bill okayed

Members of the Environment, Agriculture and Economic Development Budget Division met briefly Wed., Apr. 28, to approve the Dept. of Natural Resources housekeeping bill, S.F. 2216. The panel, chaired by Sen. Dallas Sams (DFL-Staples), advanced the measure, carried by Sen. John Marty (DFL-Roseville), to the full Finance Committee.

## Finance

### Nature amendment discussed

Members of the Finance Committee devoted the lion's share of the Tues., Apr. 27, hearing to a discussion of a bill providing for a constitutional amendment to dedicate part of Minnesota's sales tax revenue to natural resources programs.

S.F. 401, authored by Sen. Dallas Sams (DFL-Staples), provides that the question be placed on the ballot this November and specifies that a fraction of a percent of the sales tax be dedicated to

the environment. Sams offered an amendment that specifies the proceeds from the sales tax be used for arts and cultural purposes, in addition to natural resource programs. Sams said, "The environment and the arts are the first to get cut during difficult economic times. We must have a steady source of revenue for investment in our natural resources and cultural programs in order for Minnesota to remain the gem it is." Sams said cultural events and environmental programs are at the heart of the state's identity.

Supporters of the measure argued that over the course of the past several years, environmental and arts programs have been particularly hard hit by budget cuts brought about by state budget shortfalls. Opponents, though, said the bill creates a funding source for one area at the expense of other crucial program areas such as education and health care. Several committee members, led by Sen. John Hottinger (DFL-St. Peter) and Sen. Wesley Skoglund (DFL-Mpls.), argued that removing a percentage of the revenue generated by the sales tax from the general fund would leave a hole that would have to be filled by cuts in other programs.

Members adopted the amendment including the arts and cultural programs as recipients of the sales tax revenue, but laid the bill over for further consideration. Committee Chair Richard Cohen (DFL-St. Paul) said that an updated fiscal note necessitated by the amendment had not yet been completed and that the committee needed all the information available before voting on the proposal.

In other action, the panel advanced a variety of bills to the Senate floor. S.F. 653, sponsored by Sams, requires multiline telephone systems to provide caller location for purposes of the emergency 911 telephone system. Sams offered an amendment specifying that the measure requires the new technology when companies install new systems, rather than making companies revamp existing systems. The amendment was adopted and the bill advanced to the full Senate. S.F. 1721, carried by Sams, modifies prior authorization requirements, establishes requirements for provider contracting and modifies provisions for claims payment. The bill was also advanced to the full Senate.



**Sen. David Gaither (R-Plymouth) greets students from the Minnetonka Christian Academy in the Capitol Rotunda following their tour of the Capitol, Thurs., Apr. 29.**

Photo by David J. Oakes

# Committee update

S.F. 1974, carried by Sen. Jim Vickerman (DFL-Tracy), extends the availability of appropriations from the Minnesota future resources fund and the environment and natural resources trust fund. S.F. 2437, authored by Sen. Ann Rest (DFL-New Hope), provides for more complete implementation of the statewide central computerized filing system for recording liens on agricultural products. Under the bill, the county recorders are phased out, but may apply for and become a designated satellite office supporting the secretary of state's computerized filing system. S.F. 2895, sponsored by Sen. David Senjem (R-Rochester), authorizes local units of government to request fiscal impact notes on rules proposed by a state agency that will result in costs of more than \$50,000. Members adopted an amendment providing that the governor may waive the requirement for impact notes under specific circumstances. All three measures were advanced to the full Senate.

Members also discussed a bill providing partial conformity with federal government tax laws relating to health

saving accounts as provided for in the Medicare Prescription Drug, Improvement and Modernization Act. S.F. 1602, sponsored by Sen. Brian LeClair (R-Woodbury), would allow the same tax benefits for health savings accounts that are allowed under federal law. LeClair said the measure would have a revenue impact of \$3.2 million. Members advanced the measure to the Tax Committee without recommendation.

Finally, members sent H.F. 2671 to the Senate floor. The bill, sponsored by Sen. Mark Ourada (R-Buffalo), makes policy changes to provisions governing motor carriers. Ourada said the measure has no fiscal impact and requested the bill be sent to the full Senate.

## Environmental bills spark debate

Bills relating to environmental issues dominated discussion at the Wed., Apr. 28, of the Finance Committee. A bill providing authority and funding to achieve and maintain water quality standards sparked the most debate. S.F. 2889, sponsored by Sen. John Marty (DFL-Roseville), requires the Pollution

Control Agency (PCA) to identify impaired waters, develop and approve total maximum daily loads (TMDL) of pollutants for listed impaired waters and plan the restoration of impaired waters. Marty said the proposal contained in the bill was developed by a group of stakeholders including the Minnesota Chamber of Commerce, environmental groups, representatives of local governments and agricultural groups. In addition to setting forth a plan to clean-up impaired waters, Marty said the bill also includes a funding source in the form of a small increase in income taxes. He said the plan developed by the group included a fee that he thought was too onerous.

Lisa Thorvig, commissioner, PCA, spoke in support of the policy contained in the bill. She said that although only 8 percent of the state's rivers and 14 percent of the state's lakes have been tested, 40 percent of those tested do not meet water quality standards. "It is of particular concern for Minnesota," Thorvig said, "because the state has so much surface water." Thorvig said, though, that the agency and the administration did not support Marty's proposal for funding the program. Thorvig said the total cost to clean up the state's surface waters will be between \$600 million and \$3 billion. Mike Robertson, representing the Minnesota Chamber of Commerce, also spoke in support of the policy in the measure but against the proposed funding source.

An amendment was adopted providing for the allocation of funds required by the measure. Sen. Pat Pariseau (R-Farmington) moved to divide the amendment and urged members not to adopt the language relating to the allocation of funds. However, members adopted both portions of the amendment. The bill was approved and advanced to the Tax Committee.

The other environmental bill sparking debate was the omnibus game and fish bill. H.F. 2368, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), contains a number of provisions relating to hunting and angling. The bill modifies deer hunting provisions and fees, modifies the restriction on the importation of cervidae carcasses, modifies turtle license requirements, provides for the suspension of game and fish licenses and permits for violations, prohibits taking albino deer, requires public education regarding lead



Senators Becky Lourey (DFL-Kerrick), left, and Linda Berglin (DFL-Mpls.) closely examine proposed legislation during a recent floor session. Photo by David J. Oakes





*Senators Pat Pariseau (R-Farmington), left, and David Hann (R-Eden Prairie) exchange ideas during a recent floor session.*

Photo by David J. Oakes

fishing tackle, changes terminology relating to waterfowl refuge provisions and authorizes a season on mourning doves.

Sen. Sandra Pappas (DFL-St. Paul) moved to delete the sections of the bill establishing a season on mourning doves. "Mourning doves are familiar at bird feeders, are a symbol of peace and are considered song birds," Pappas said, "and I don't believe we should hunt them." Saxhaug said that many other states have a season on mourning doves without harming overall populations or causing environmental damage. Members also discussed the propriety of the Finance Committee making policy changes to a bill. The amendment failed on a divided voice vote. The bill was approved and sent to the full Senate.

In other action, the committee, chaired by Sen. Richard Cohen (DFL-St. Paul), advanced a variety of other bills to the Senate floor. S.F. 1835, carried by Sen. Michelle Fischbach (R-Paynesville), provides for a review of hospital morato-

rium exceptions. S.F. 1957, sponsored by Sen. Mee Moua (DFL-St. Paul), modifies vehicle certificate of title provisions affecting dealers. H.F. 1961, authored by Sen. Leo Foley (DFL-Coon Rapids), expands the crime of first degree murder to include causing the death of a minor while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon a child. S.F. 2020, carried by Sen. Dan Sparks (DFL-Austin), provides an exemption to the moratorium on nursing home construction to allow for the construction of a 60-bed facility in Austin.

S.F. 2112, authored by Sen. Linda Higgins (DFL-Mpls.), authorizes an exception to the prohibition on asset transfers for charitable gifts when the donor has an established relationship with the charity. S.F. 2573, sponsored by Sen. Scott Dibble (DFL-Mpls.), codifies the transfer of the planning office to the Dept. of Administration, authorizes forward pricing for energy purchases and reinstates the Small Business Procurement Advisory

Council. S.F. 2613, carried by Sen. Sheila Kiscaden (IP-Rochester), makes changes to provisions relating to the Minnesota Comprehensive Health Association (MCHA). Members adopted an amendment, offered by Sen. Wesley Skoglund (DFL-Mpls.), deleting a provision setting an income limit for terminated employees who are unable to continue coverage to enroll in MCHA. S.F. 3036, sponsored by Sen. Linda Berglin (DFL-Mpls.), is a resolution memorializing the Center for Medicaid and Medicare Services to designate the state of Minnesota as a single-state region under the Medicare Modernization Act.

### **Tax dedication bill withdrawn**

A bill dedicating \$0.00375 of every \$0.065 collected under the state sales and use tax to environment and arts programs was withdrawn from consideration at the end of the Thurs., Apr. 29, meeting of the Finance Committee. S.F. 401, sponsored by Sen. Dallas Sams (DFL-Staples), provided for an amendment to the

# Committee update

Minnesota Constitution dedicating the funds and for a question on the 2004 general election ballot ratifying the amendment.

Sams withdrew the bill after Sen. Thomas Neuville (R-Northfield) offered an amendment providing a second constitutional question in the bill. The amendment proposed a constitutional amendment defining marriage as the union of one man and one woman. Sams said the new language went beyond what he intended for the bill and that he was withdrawing the measure.

In earlier action on the measure, committee members, chaired by Sen. Richard Cohen (DFL-St. Paul), considered two other amendments offered by Neuville. One amendment removed language providing that the dedicated funds cannot replace current general fund spending for the environment and arts. Sams spoke against the amendment, saying the focus of the bill was to provide new money for the targeted programs. The other amendment separated the constitutional question into two issues: dedicated funding for the environment and dedicated funding for the arts. The amendment also redirected some of the arts funding to clean water activities. Sen. Jane Ranum (DFL-Mpls.), said S.F. 401 attempts to improve the overall quality of life in Minnesota, which is determined by both the environment and arts. Both amendments were defeated.

The panel advanced four other pieces of legislation to the Senate floor. S.F. 2020, authored by Sen. Dan Sparks (DFL-Austin), provides an exception to the nursing home construction moratorium for a facility in Austin. Members had approved the bill at a previous hearing. The committee adopted, at Sparks' request, a technical amendment providing clarifying language. S.F. 2216, sponsored by Sen. John Marty (DFL-Roseville), is the Department of Revenue housekeeping bill. H.F. 2040, carried by Sams, provides for wastewater treatment technology certification. Sen. John Hottinger (DFL-St. Peter) sponsored S.R. 156, a resolution expressing support for the revitalization of the Dakota and Ojibwe languages.

## Rules and Administration

### Late bills advanced

The Rules and Administration Committee met Wed., Apr. 28, to deal

with several bills caught by Joint Rule 2.03, the late bill rule. The panel, chaired by Assistant Majority Leader Ann Rest (DFL-New Hope), advanced all the measures.

S.F. 2178, sponsored by Sen. Michael Jungbauer (R-East Bethel), requires notice to the commissioner of transportation and a public hearing before the final closure of a municipal airport. S.F. 2350, authored by Sen. Julie Rosen (R-Fairmont), is a housekeeping bill making changes related to the merging of the Dept. of Economic Security and the Dept. of Employment and Economic Development. S.F. 2646, carried by Sen. Ellen Anderson (DFL-St. Paul), is an agency bill making modifications in the state dislocated worker program. S.F. 2561, authored by Sen. Don Betzold (DFL-Fridley), provides for the classification of, and access to, CrimNet and other criminal justice agency information systems data. All four measures were advanced to the Senate floor.

S.F. 2844, carried by Sen. Thomas Bakk (DFL-Cook), modifies workers compensation provisions. The measure was re-referred to the State and Local Government Operations Committee.

Sen. Thomas Neuville (R-Northfield) moved to withdraw H.F. 2798, the bill providing for a constitutional amendment specifying marriage is between one man and one woman, from the Judiciary Committee and send the bill to the floor. Neuville said the issue was of extreme importance and the entire body needs to have the opportunity to debate the measure. Several members questioned whether the motion could be made by someone other than the chief author of the bill. Sen. Michele Bachmann (R-Stillwater), the measure's chief sponsor, requested the panel to act on Neuville's motion. However, Sen. James Metzen (DFL-South St. Paul) moved that the committee adjourn. The motion was adopted on a divided voice vote.

## Taxes

### Tax bill approved

Members of the Tax Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Mon., Apr. 26, to finish their work on the omnibus tax bill. The measure includes several provisions heard throughout the year. It is designed to have no impact on the general fund in FY 04-05.

The proposal provides for single sales apportionment in corporate income taxes, limits mortgage interest deductions for individual income taxpayers, provides tax benefits for active duty military personnel and modifies the renter's credit. The bill also exempts clean fuel vehicles from the motor vehicle sales tax, authorizes several local option sales taxes, exempts materials used in the construction of a public safety radio system, repeals the sunsets on the rental car tax and additional tax on alcohol and distributes alcohol tax revenue to counties for chemical dependency treatment programs. Pogemiller said the measure takes a step toward restoring, in FY 06-07, some of the cuts made in local government aid last year. The proposal also prohibits retail businesses from being eligible for the tax benefits extended under the JOBZ program and authorizes the creation of an international economic development zone.

In other action, members considered S.F. 3040, authored by Sen. David Senjem (R-Rochester). The bill provides a sales tax exemption for expansion of a wastewater treatment plant in Rochester. The measure was placed on the committee's E list, for measures that are not going to be included in the omnibus bill.

## Information Services

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## Schedule available online

Next week's schedule is available online at: <http://www.senate.mn/schedule/2004/0503.htm>



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# *Senate Briefly*

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*Page 2 Floor update*

*Page 10 Committee update*

*A flowering crab apple tree on the front lawn of the Capitol displays a multitude of blossoms as May arrives.*

*Photo by David J. Oakes*



*May 7, 2004*

# Floor update

## Exotic animal restrictions okayed

State regulation of exotic animal ownership was approved by Senators at their Mon., May 3, floor session. S.F. 1530, sponsored by Sen. Don Betzold (DFL-Fridley), was granted final passage, 60-5.

Betzold said it is currently very easy to obtain wild animals via the Internet, through word of mouth and by other methods. Exotic animals are often taken to schools, camps and day care facilities, he said, to entertain children. "Wild animals are not pets," Betzold said, "a monkey is not a child's playmate." Animals reared around humans eventually revert to their wild instincts, carry diseases and cannot be vaccinated for rabies, he said. Members adopted two amendments, offered by Betzold, resolving issues that arose during committee consideration of the measure. One amendment removes a provision effectively giving lawbreakers advance notice of animal control actions, including seizure. The other amendment targets the measure at animal owners instead of property owners.

Sen. Mike McGinn (R-Eagan) offered an amendment providing that institutions accredited by the United Zoological Association are exempted from the bill's regulations. McGinn said the amendment was brought to him by a constituent who operates a 40-acre wildlife preserve. However, Betzold said the association's accreditation standards are not considered stringent enough by professionals. The amendment failed on a 30-35 vote.

**Senate Briefly** is a publication of the Minnesota Senate Publications Office. During the 2004 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee. It can be made available in alternative formats.

### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes

There are competing interests in the area of animal control, said Sen. Steve Dille (R-Dassel). This bill is a compromise, he said, that eventually shrinks the market for exotic animals and decreases the number of exotic animals in private hands in Minnesota. However, Dille said, the bill accommodates current animal owners who are willing to comply with health standards.

Senators also granted final passage to several other measures. S.F. 1384, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), amends the human rights act to include prospective adoptive parents as a protected class. Pogemiller said the bill grants existing protections against discrimination for prospective biological parents to prospective adoptive parents.

Sen. Julianne Ortman (R-Chanhassen) said current law already prohibits employers with more than 20 employees from discriminating against prospective adoptive parents. Sen. Betsy Wergin (R-Princeton) said the adoption process is a longer, less well-defined period than pregnancy. The measure could complicate the issue of defining the adoption process, she said. Current law, she said, provides fair and equal treatment for all parents. Sen. David Knutson (R-Burnsville) offered an amendment changing the definition of adoption status, under the bill, from being in the process of adopting a child to a reasonable period of time during which a person is adopting a child. Knutson said the change is a reasonable accommodation to employers. However, Pogemiller said the change is likely to confuse the issue. The amendment was rejected on a divided voice vote. S.F. 1384 was granted final passage, 35-29.

Pogemiller also authored S.F. 2231, which permits peace officers to recover attorney fees when a civilian complaint proceeding clears a peace officer. S.F. 2778, sponsored by Sen. Ann Rest (DFL-New Hope), eliminates duplicate campaign forms in Hennepin County. Another Rest bill, S.F. 2437, modifies regulations concerning farm product liens and financing statements. Sen. Steve Murphy (DFL-Red Wing) carried S.F. 2455, eliminating the sunset date on the Propane Education and Research Council. H.F. 2930, sponsored by Sen. Mady Reiter (R-Shoreview), requires flags in the Capitol Complex to be flown at half-staff

following the death of a public safety officer or Minnesota military personnel killed in the line of duty.

Members also approved a resolution recognizing the University of Minnesota women's hockey team for winning the 2004 NCAA championship.

## Short session held

Members met for a brief floor session Tues., May 4. The Senate granted concurrence and repassage to one bill and processed bill introductions and committee reports.

The bill gaining concurrence and repassage, S.F. 2851, limits the issuance of instruction permits and provisional driver's licenses after convictions involving crash-related violations. Chief author Betsy Wergin (R-Princeton) said the other body added clarification language and urged members to concur with the House amendments. The Senate approved the concurrence and repassed the bill on a 63-1 roll call vote.

This year's capital investment bill was also introduced, S.F. 3057. The measure, carried by Sen. Keith Langseth (DFL-Glyndon), was referred to the Finance Committee.

## Emergency radio bill passed

Senators devoted the Wed., May 5, floor session to working through a long list of bills on Special Orders. Bills on Special Orders are eligible for final passage without going through the Committee of the Whole. A number of bills generated debate, while the balance of the bills considered were passed with no discussion.

One of the measures generating discussion, S.F. 1973, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides a governance structure that will work toward the completion of the 800 megahertz radio system and the Statewide Radio Planning Committee. Ranum offered an amendment that reflects the negotiations between the staff from Dept. of Public Safety, representatives from law enforcement organizations, representatives from cities and counties and members of the Metropolitan Radio Board. The amendment provides a governing structure to move toward completing phase 3 of the 800 megahertz system. The measure provides for the establishment of regional radio boards, provides for the





**From left, Senators Keith Langseth (DFL-Glyndon), Paul Koering (R-Fort Ripley), David Senjem (R-Rochester) and Bob Kierlin (R-Winona) share a lighter moment on the floor of the Senate during a recent floor session.**

Photo by David J. Oakes

composition and responsibilities of the Statewide Radio Board and changes the composition of the Metropolitan Radio Board. The bill puts us on the threshold of being a model for the rest of the country, Ranum said.

Sen. Dave Kleis (R-St. Cloud) spoke in support of the amendment. "It takes us in the direction we should be going and represents a compromise between all the stakeholders. I urge strong bipartisan support," Kleis said. Sen. Mike McGinn (R-Eagan) said, "Communication is absolutely critical for first responders and I urge support of the amendment." The amendment was adopted and the bill granted final passage on a unanimous 64-0 vote.

Another measure generating considerable debate, H.F. 1425, sets appeals bond limits. The bill, sponsored by Sen. Don Betzold (DFL-Fridley), limits the bond to the amount of the judgment or a lesser amount approved by the court in the interests of justice. However, the bill specifies that the total appeal bond required of all appellants is capped at \$150 million, regardless of the value of the judgment. Current law specifies the appeals bond must be twice the damages awarded, Betzold said. Many major industries, including the tobacco industry, have been facing class action lawsuits that have resulted in large damage awards. Every litigant, including large businesses, has the right to pursue an appeal without

having to post a bond that will bankrupt them, Betzold said.

Sen. John Marty (DFL-Roseville) said, "I agree with some of your concerns, primarily that some businesses could go bankrupt before paying judgments, but I don't think we should set a limit for the courts." Marty offered an amendment deleting the provision setting a specific cap on appeals bonds. Sen. Jane Ranum (DFL-Mpls.) said the current law has been in effect since 1877 and that changing it at the request of the tobacco industry will hurt ordinary citizens. Sen. Julianne Ortman (R-Chanhassen) argued against the amendment and said that just because that is the way it has always been doesn't mean that a law should not be changed.



# Floor update

Ortman said the cap is a reasonable limit and there are protections the court may use while the appeal is pending. Ranum countered that the legislation is for the tobacco industry, was brought by the tobacco industry and is supported by the tobacco industry and should not be supported. Ortman responded that it is our job to look at policy, regardless of who supports it, and decide if it is good policy. Betzold said it is an exaggeration that the bill is a result of tobacco companies' influence, but rather an issue of fairness. The amendment failed on 10-52 roll call vote. The bill was granted final passage on a 51-12 roll call vote.

Members also granted final passage to a bill, H.F. 2005, extending the restriction on phosphorus use in fertilizers on lawns statewide. Chief Author Dan Sparks (DFL-Austin) said the bill is aimed at keeping Minnesota's lakes blue, rather than green from alga growth. Current law restricts the use of phosphorus in the Metro Area, but counties in Greater Minnesota have started restricting the use for lawns, Sparks said. The measure exempts agricultural land and golf courses,

he said. Sen. Michael Jungbauer (R-East Bethel) supported the bill and said, "We need to work with phosphorus, but we also need to work with nitrate loading so at some time we will need to deal with agriculture." Sen. Carrie Ruud (R-Breezy Point) also supported the bill and said the measure is needed to protect lakes throughout the state.

A bill providing for community ownership of the Minnesota Twins was sponsored by Sen. Ellen Anderson (DFL-St. Paul). S.F. 1769, she said, provides a private sector, market-based approach to reforming Major League Baseball in Minnesota. There is a great deal of public support for the team, Anderson said, and the bill provides a way for the public to show its support. S.F. 1769 requires the governor and the Metropolitan Sports Facilities Commission to attempt to facilitate the formation of a corporation to acquire the Twins. Under the bill, a private managing owner will hold between 25 and 35 percent of the common stock in the team and supervise all day-to-day team operations. At least 50 percent of the common stock will be sold to

individuals, with a 1 percent cap on individual ownership. The remaining 15 to 25 percent of the team stock will be held by larger investors, with a 5 percent cap on ownership. All holders of common stock, under the bill, have the right to vote on any proposal to move the team. The measure specifies that moving the team requires the approval of at least 75 percent of shareholders. "This takes the wheels off the team," Anderson said. After local control of the team is secured, she said, a rational discussion of stadium needs can proceed.

Sen. Dave Kleis (R-St. Cloud) said it is not government's role to facilitate private market actions, including a change in ownership of the team. If the team's current owners want to sell part of the team, he said, they can do so without government assistance. Government facilitates many things, said Sen. Thomas Neuville (R-Northfield), citing the construction of professional sports facilities and the JOBZ program as examples. The measure does not force the sale of the team, he said, but puts a vessel out in the marketplace that might be



Senators Tom Saxhaug (DFL-Grand Rapids) and Gen Olson (R-Minnetrista) consult during a recent floor session.

Photo by David J. Oakes



filled in the future. S.F. 1769 was granted final passage, 54-10.

S.F. 2472, authored by Sen. Dennis Frederickson (R-New Ulm), grants specific authority to the commissioner of natural resources, provides authority for the commissioner to set fees and provides for rulemaking exemptions. Frederickson said the bill clarifies the statutory authority of the commissioner to implement programs and set fees throughout the statutes relating to the department. Members adopted a technical amendment and granted the bill final passage. Sen. Betsy Wergin (R-Princeton) sponsored a bill, H.F. 2103, providing clarification for the setting of fees by municipalities for new development. Under the bill, the fees must have a nexus with the actual cost of the development project, Wergin said.

Betzold also sponsored H.F. 730, a bill providing for home warranties. If a builder builds a home, everything is covered for one year, major systems such as electrical are covered for two years and if there are major construction improvements, there is a 10 year warranty. The bill affirms the 10 year warranty by providing an action may be brought within 2 years of discovery of the breach, but an action may not be brought more than 12 years after the effective warranty date, Betzold said. The measure easily gained final passage.

Sen. Linda Higgins (DFL-Mpls.) sponsored a bill, S.F. 2080, providing for regulation of outpatient surgical centers and diagnostic imaging facilities. The measure is a compromise agreement between the affected parties, Higgins said. She offered an amendment clarifying the information that must be reported to the commissioner by diagnostic imaging centers and providing that the facilities are part of the adverse health care reporting systems. The amendment was adopted. Sen. Linda Berglin (DFL-Mpls.) offered an amendment that clarifies the fund used for regulating the outpatient surgical centers. The amendment was also adopted. Higgins also authored S.F. 2639. The measure allows the Council on Disability to meet by telephone or other electronic means. Higgins said the measure provides reasonable accommodations to persons with disabilities and will insure more participation in the council's activities. Both measures were granted final passage.

S.F. 2125, authored by Sen. Rod Skoe (DFL-Clearbrook), extends the time ice houses may be on a northern lake in order to allow the ice houses to be on the lake between midnight and dawn, if attended. S.F. 2620, carried by Sen. Dallas Sams (DFL-Staples), prescribes notice requirements for township mutual combination policies. S.F. 2379, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates real estate brokers and salespersons and makes changes in real property laws. Scheid said the bill is primarily technical, but there are some substantive provisions. The bill also codifies a number of rules to make it easier for practitioners, Scheid said. She offered, and members adopted, an amendment that clarifies the declaratory cancellation of a purchase agreement. All three measures gained final passage.

Two measures sponsored by Sen. Ann Rest (DFL-New Hope) were granted final passage. H.F. 1851 deletes a requirement for Regional Development Commission or Metropolitan Council approval of bridge projects funded from the state transportation fund. H.F. 1898 repeals a requirement that designation of natural preservation routes on county state-aid highways be reviewed by an advisory committee.

H.F. 1392, carried by Sen. Michele Bachmann (R-Stillwater), allows a city charter to prohibit members of the governing body of the city from serving on the charter commission. Betzold offered an amendment removing the limit on the number of terms a person may serve on a charter commission. The amendment was adopted and the bill granted final passage.

Sen. Jim Vickerman (DFL-Tracy) sponsored two bills. S.F. 2274 places additional limits on comprehensive city or town interim ordinances for planning and zoning purposes. H.F. 2270 changes provisions for publication of public notices in newspapers. Both measures were granted final passage.

S.F. 2154, authored by Sen. Gary Kubly (DFL-Granite Falls), requires state agencies to use E-85 fuel in flexible fuel vehicles. Kubly offered an amendment removing a penalty provision from the bill. Neuville offered an amendment providing for special E-85 license plates for purchase by owners of flexible fuel vehicles. The amendment also provides for vehicles displaying the special license plates to have access to high occupancy

vehicle lanes, regardless of vehicle occupancy. Both amendments were adopted and S.F. 2154 was granted final passage, 52-12.

Two bills making housekeeping changes in state agencies were also granted final passage. H.F. 2235, sponsored by Anderson, is a technical unemployment insurance bill. The measure is a recommendation of the Unemployment Insurance Advisory Council and is non-controversial, Anderson said. S.F. 2703, sponsored by Ranum, streamlines the state employee hiring process. Ranum said the bill codifies procedures in order to make the application process more applicant friendly. Scheid offered, and members adopted 53-9, an amendment requiring the Legislative Coordinating Commission to study the issue of local government employee salary caps. The measure was granted final passage on a 61-0 roll call vote.

The final measure considered, S.F. 1803, authored by Sen. John Hottinger (DFL-St. Peter), modifies the Uniform Limited Partnership Act of 2001. The bill was passed on a 62-0 roll call vote.

## **Bonding, education bills debated**

The floor session Thurs., May 6, was devoted to action on three major bills. Senators debated the capital investment bill, the omnibus pension bill and the education policy bill. Two of the bills received final passage.

Members began with consideration of the omnibus pension bill. S.F. 676, sponsored by Sen. Don Betzold (DFL-Fridley), makes numerous changes in public employees' retirement programs. Betzold said the provisions in the bill were recommended by the Legislative Commission on Pensions and Retirement. He said the commission held numerous hearings on individual bills and combined all the measures into one omnibus bill. Members laid the bill on the table in order to allow time to draft an amendment, however after the amendment was adopted it was withdrawn.

Sen. Julianne Ortman (R-Chanhassen) offered an amendment deleting portions of the bill providing for the consolidation of the Minneapolis Teachers Retirement Fund Association (MTRFA) with the Teachers Retirement Association (TRA). Ortman said the problem needs to be fixed, but the bill is

# Floor update



**Assistant coach Brad Frost and head coach Laura Halldorson acknowledge applause from Senators, Mon., May 3, in recognition of the University of Minnesota women's hockey team's recent national championship.**

Photo by David J. Oakes

not the appropriate vehicle. Betzold said the provisions in the bill would not emerge from conference committee intact and are in the bill in order to allow for further discussions. Ortman withdrew the amendment.

The bill was granted final passage on a 50- 17 roll call vote.

The second major bill, the omnibus bonding bill, was debated extensively. H.F. 2991, sponsored by Sen. Keith Langseth (DFL-Glyndon), contains bond appropriations for a wide range of capital improvement projects. Langseth said the proposal concentrates on statewide projects and on projects needed by the higher education system. He said the governor's proposal and the proposal put forth by the other body were inadequate to meet the needs of the state. The measure also contains significant funding for wastewater infrastructure, Langseth said. He outlined each of the provisions in the bill and said the other bonding proposals did not emphasize higher education or wastewater infrastructure in particular. Langseth said the measure contained \$2 million for the Northstar Commuter Rail project; an amount he

said was a place-holder to keep negotiations open. In addition, the bill contains funding for both Metro Area and Greater Minnesota parks, flood mitigation, the Minnesota Planetarium, the conservation reserve enhancement program (CREP) and a biotechnology research facility.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment to add language as another place-holder that may be needed assistance to the city of Aurora to reconstruct its wastewater treatment plan, damaged in an explosion May 5, 2004. Langseth said the amendment is to keep options open in case financial assistance is needed.

The Northstar Commuter Rail project was the focus of an amendment offered by Sen. Mady Reiter (R-Shoreview). Reiter said the amendment deletes funding for the project because it is not affordable. She said the total amount of the project has been understated by the Northstar Corridor Development supporters and that the railroad has estimated a much higher price tag. She said the commuter rail project will not significantly reduce traffic congestion in the northwest corridor. She said the

project would require a subsidy of 63 cents per passenger, will not increase safety, and that people will not give up their cars.

Langseth argued against the amendment and said the area cannot build its way out of traffic congestion and that additional transit options will be needed in the future. Sen. Dave Kleis (R-St. Cloud) also spoke against the amendment. He said the project will ease the growing congestion in the area and that more lanes are needed, but transit such as the commuter rail project is also necessary. He said the project needs \$37.5 million and funding is needed to leverage federal dollars. Sen. Sharon Marko (DFL-Cottage Grove) spoke against the amendment. "I've been a long time supporter of transit. We have reached a critical mass in terms of congestion where we have to find alternatives to move people in the Metro Area," she said. Sen. Michael Jungbauer (R-East Bethel) also spoke against the amendment and said although he normally agrees with the Taxpayers League, in this case the league is wrong and commuter rail is a vital part of the transportation picture.

Reiter withdrew the amendment and said the debate had been valuable in airing the issue.

Sen. Cal Larson (R-Fergus Falls) offered an amendment that contained the governor's bonding proposal with a few modifications. Larson outlined the differences from the bill and said the proposal is a more responsible approach. The amendment funds \$782 million in projects, including funding the Northstar rail line, Minnesota Zoo and housing at the governor's recommendations. Kleis said no project has been as scrutinized as much as the Northstar Corridor. "We're not going to get there with \$2 million," he said. Kleis also supported the amendment because of appropriations directed at confining sex offenders. Sen. David Knutson (R-Burnsville) also spoke in support of the proposal because the amendment contains increased funding for the Minnesota Zoo. He pointed out that the zoo is an important addition to the state's quality of life. "We have a responsibility toward a state facility that is a valuable amenity and is in desperate need of our help," Knutson said. Others speaking in support of the measure included Sen. Michele Bachmann (R-Stillwater) and Sen. Betsy Wergin (R-Princeton).



Langseth argued against the amendment. He said the biggest difference is in funding for higher education and wastewater infrastructure. Sen. Linda Berglin (DFL-Mpls.) also spoke against the proposal. She said the items mentioned by the supporters of the amendment were ranked in the various budget divisions and some of those items did not rank high enough to be included in Langseth's proposal. Kleis countered that the amendment is stronger in the public safety area, one of the state's main responsibility. The amendment failed 29-36.

The bill did not gain the super majority needed for final passage and failed on a 39-28 roll call vote.

After a recess, members returned to consider H.F. 1793, the omnibus education policy bill. The measure, sponsored by Sen. Steve Kelley (DFL-Hopkins), makes numerous changes in K-12 education policy.

Tomassoni offered an amendment providing that school districts are encouraged to use the national standards for health and physical education and specifies that by the 2005-06 school year, kindergarten through 8th grade students must be able to participate in the same number of health and physical education courses as the district offered during the 2002-03 school year. The amendment was adopted on a voice vote.

Sen. David Hann (R-Eden Prairie) offered an amendment substituting the social studies standards developed by the Dept. of Education Citizens' Committee on Academic Standards in place of the social studies standards in the bill. Hann said the work of the citizen's committee had been developed through an open process. He said criticism of the citizen's committee's standards focused on a perceived political bias, whether the process was open enough, and that there were too many standards. However, he said the standards in the bill were developed in a much more hurried fashion, without public input, and were developed by University of Minnesota professors. Hann said the standards in the bill have not had the scrutiny the Citizen's Committee on Academic Standards had and should not be adopted. "We should honor the work of the people of Minnesota who developed the citizen's committee standards," Hann said.

Kelley responded, "It became obvious that many people were unhappy with the

standards developed by the citizen's committee. The standards that were developed and adopted in the Education Committee were the product of a group of people who formed themselves into a group to develop an alternative. The standards developed by the Council on Social Studies are far superior to those developed by the Academic Standards Committee and are much less prescriptive.

Bachmann spoke in support of the amendment. She said the standards in the amendment are balanced and comprehensive. It is very clear there are two sets of standards, one set that followed the process we specified and one set that did not follow the process, the amendment adopts the standards that followed the process, Bachmann said.

The amendment failed on a 31-35 roll call vote.

Larson offered an amendment specifying that a school board must not enter into an agreement that limits a district superintendent's duty to assign and reassign teachers or administrators to the schools in which the teachers will teach or the administrators will administer except for purposes of entering into a school site decision making agreement. Larson said the amendment is a proposal of the governor's and is a reasonable suggestion. Kelley opposed the amendment and said there are a number of issues related to trying to get stability in our schools and it should be left to the districts and the bargaining units. The amendment failed on a 32-34 roll call vote.

Reiter offered an amendment prohibiting school districts from using public funds or students to advocate for or against any ballot questions or other political issues. Kelley said the practice is already prohibited and the language not needed. The amendment was defeated, 29-36.

Bachmann offered an amendment adding the concepts of national sovereignty, natural law, self-evident truths, inalienable rights and the purpose of government to protect rights to the social studies standards. She said the concepts are at the core of the principal American documents, especially the Declaration of Independence. Kelley said the amendment is unnecessary because the standards already require the students to understand the principles contained in the Declara-

tion of Independence. The amendment failed, 31-34.

An amendment, offered by Wergin, deletes a section of the bill providing for the Measures of Academic Progress (MAP) test to be used instead of the Minnesota Comprehensive Assessments (MCA). She said the MAP test did not allow accurate measurement of students' achievement by grade level. Kelley disagreed and said there is a way to compare schools, classrooms and students using the MAP tests. The amendment failed on a voice vote.

Jungbauer offered an amendment reinstating B.C. and A.D. and eliminating BCA and CE as time markers. He said the nomenclature is common around the world and should be kept in place. He added that it is similar to trying to place the U.S. on the metric system—it never worked. Kelley opposed the amendment on the basis that the proposal micromanages the curriculum. The amendment failed on a divided voice vote.

Sen. Thomas Neuville (R-Northfield) offered an amendment providing for a Joint Powers Agreement between Independent School District No. 3394, Montgomery-Lonsdale, and Independent School District No. 721, New Prague, to govern and manage the Lonsdale Elementary School. The amendment was adopted.

Kleis offered an amendment specifying that a teacher whose probationary period of employment is interrupted for active military duty and who resumes teaching at a later date shall be considered to have had a consecutive teaching experience. Kleis said the amendment was included in the budget resolution bill, but that he wanted to make sure the language was included in another bill. The amendment was adopted.

Wergin offered an amendment clarifying requirements for filters on school computers to prevent access to pornography. Wergin said the measure also requires the placement of filters on computers in the children's section of libraries. In addition, the measure authorizes the withholding of state funds for schools and libraries that do not comply. Kelley responded that schools are already required to have filters, but that withholding funds is a draconian response. Sen. Wesley Skoglund (DFL-Mpls.) offered an amendment to the amendment

# Floor update



**University of Minnesota football head coach Glen Mason, right, encourages members of the State and Local Government Operations Committee, Wed., May 6, to approve a bill sponsored by Sen. Geoff Michel (R-Edina), left, that provides for a state appropriation to help build a new on-campus Gopher football stadium.**

Photo by David J. Oakes

providing access to legitimate information available on the Internet. Skoglund said he was convinced that schools and libraries are already limiting harmful information and don't need the threat of losing funds hanging over them. Wergin said the amendment to the amendment renders the original amendment ineffective. The Skoglund amendment to the amendment was adopted, 32-31. Wergin then withdrew her amendment.

Wiger offered an amendment providing that access to nonsyringe injectors of epinephrine be available all day and that nonsyringe injectors be available in school first aid kits. The bill provides for access to nonsyringe epinephrine injectors if they are prescribed for students with severe allergies. Kelley said the bill provides an appropriate balance between the needs of the students and the costs to districts. He said requiring schools

to have injectors in nurse offices imposes a tremendous cost on districts. The amendment was adopted, 62-3.

An amendment requiring districts to consult with nutritional advisory councils to develop vending machine policies promoting the consumption of milk and other nutritional beverages was offered by Lourey. Kleis challenged the amendment as not germane to the bill. The presiding officer ruled the amendment germane. Kleis spoke against the amendment, emphasizing the importance of local control. The amendment was not adopted.

McGinn offered an amendment dealing with social promotion and parental appeals. Kelley said the amendment goes against local control. The amendment was not adopted, 31-34.

Hann offered an amendment providing an alternative teacher licensure

program for individuals with qualifications in other fields. He said the amendment provides significant aid to districts in Greater Minnesota that struggle to find teachers. Kelley said there is no demonstrated need for the amendment. The state already has several paths to teacher licensure, he said. The amendment was not adopted, 29-36.

Rosen offered an amendment providing immunity to districts and employees if districts make, under current law, a good faith effort to inform employees that a student has a history of violent outbursts. The amendment was not adopted, 31-34.

Olson offered an amendment altering the science standards to include the minority report of the science standards committee regarding evolution. Kelley said the Education Committee chose to adopt the majority report of the standards



committee. Questioning the theory of evolution does not add to Minnesota's credibility as a biotechnology center, he said. Olson said the amendment adds to the higher order thinking skills included in the standards. Bachmann said the amendment offers additional academic freedom and reinforces the scientific value of challenging ideas. The amendment was not adopted, 31-34.

Nienow offered an amendment adding to the social studies standards for high school students a benchmark requiring students to explain President Abraham Lincoln's understanding of the nation's founding that the principles of the Declaration of Independence are universal and applicable to all people at all times. The amendment also replaces the abbreviations "BCE" and "CE" with "B.C." and "A.D." Kelley said the state does not need to prescribe curriculum to teachers. The proposed benchmark, he said, is too prescriptive and tells students how to think about historical events and figures. Olson said the new standards are content-based, but do not require teaching a specific curriculum. The amendment was not adopted, 27-38.

Hann offered an amendment allowing districts to charge a fee for transportation. Kelley argued against the amendment and said the proposal would aggravate the disparity between districts. Hann countered that the amendment provides needed flexibility in tough budget time. The amendment failed on a voice vote.

Kelley urged all members to support the measure. It contains the science standards and if we don't adopt those standards it will place severe constraints on our ability to conform with No Child Left Behind, he said.

Sen. Geoff Michel (R-Edina) said he was disappointed, not so much at what was in the bill, but what was not in the bill. He cited several bills that were not included in the omnibus bill. In particular, he said a bill revoking students drivers licenses for not attending schools was not in the measure. Kelley said county attorneys already have the ability to revoke students' licenses.

The bill was granted final passage on a 34-31 roll call vote.

Earlier in the day, the Senate granted concurrence and repassage to two measures. S.F. 1946, authored by Stumpf, provides for the Dept. of Employment and Economic Development to conduct an

extended employment pilot project in Thief Rivers Falls for disabled workers. Stumpf said the amendment made by the other body contains language from a bill, sponsored by Sen. Julie Rosen (R-Fairmount), allowing the commissioner to transfer funds to match federal funds for Independent Living Centers. The bill was repassed 64-0. The other measure, S.F. 2453, carried by Sen. Becky Lourey (DFL-Kerrick), regulates oxygenated gasoline and eliminates obsolete language relating to utility measuring equipment. Lourey said the House amendments relate to the inspection and testing of liquefied petroleum gas and allows fees to be deposited in a special account to fund the division of weights and measures. The measure was repassed 58-5.

### Peace officers honored

Bills on Special Orders were the main agenda item at the Fri., May 7, Senate floor session. Members granted final passage to five bills with very little debate. In addition, Sen. Mady Reiter (R-Shoreview) read a resolution designating the week of May 10 as Police Week and May 15 as Peace Officer's Memorial Day honoring peace officers who were killed or disabled in the line of duty.

S.F. 2869, authored by Sen. Sheila Kiscaden (IP-Rochester), authorizes an agreement between the Minnesota Dept. of Health and the Nuclear Regulatory Commission regarding regulation of radioactive and nuclear materials used in medicine. The measure also alters license fees for radioactive and nuclear materials. H.F. 2277, also sponsored by Kiscaden, makes changes to Dept. of Health licensing provisions. Kiscaden said the measure is a technical bill that completes the revamping of licensing provisions enacted last year. Kiscaden offered, and members adopted, an amendment clarifying adult foster care and family adult day care provisions. Sen. Linda Berglin (DFL-Mpls.) offered an amendment providing for the ability of child care providers to contract with community action organizations. The amendment was adopted and the bill granted final passage.

Berglin sponsored a resolution, S.F. 3036, memorializing the Center for Medicaid and Medicare Services to designate Minnesota as a single state region under the Medicare Modernization

Act. S.F. 1974, carried by Sen. Jim Vickerman (DFL-Tracy), extends the availability of appropriations from the Minnesota future resources fund and the environment and natural resources trust. Vickerman said the extension is needed to complete a number of projects that have already been authorized. The measure was given final passage. H.F. 2187, carried by Sen. Dan Sparks (DFL-Austin), requires debt collection agency employees to be registered instead of licensed. Sparks said the measure does not alter the oversight duties of the Dept. of Commerce or the department's ability to impose sanctions. The measure was passed on a vote of 49-11.

Members also granted concurrence and repassage to one bill sponsored by Berglin. The bill, S.F. 1604, requires a planned nursing facility closure to be budget neutral and requires the commissioner of human services to provide rate notices within specific timelines. Berglin said the amendment added by the other body specifies that new nursing home rates be reported by Jan. 15.

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# Committee update

## Capital Investment

### Bonding bill unveiled

The Capital Investment Committee met Tues., May 4, to discuss this year's bonding proposal. Committee Chair Keith Langseth (DFL-Glyndon) reviewed the \$888 million statewide investment plan. "We held 20 meetings from September through November last year in which we traveled to all parts of the state to get a first-hand understanding of the capital investment needs," Langseth said. He said once the session started, the division chairs held hearings and took public testimony on a variety of projects. As a result, Langseth said he tried to put together, with the assistance of the committee, a statewide plan. He said the plan is higher than the proposals offered by the governor and the other body, but that \$120 million of the difference is for investment in higher education.

Members reviewed the spreadsheet containing the various appropriations and the bill itself before voting 16-1 to approve the proposal.

The measure provides for appropriations totaling \$115.567 million for the University of Minnesota and \$176.595 million for the MnSCU system. The appropriations include asset preservation projects, as well as construction and renovation of buildings throughout the system. Appropriations for education total \$26.749 million, for the Minnesota State Academies total \$5.841 million and for the Perpich Arts Center total \$1.919 million.

Department of Natural Resources appropriations include \$29.88 million for flood hazard mitigation grants, \$8.86 million for state trail acquisition and development, \$18.988 million for metro regional park acquisition and \$10 million for RIM wildlife area land acquisition. In all, the appropriations for the department total \$108.628 million.

The proposal also contains a \$10 million appropriation for the Pollution Control Agency for closed landfill bonding, \$4 million for the Office of Environmental Assistance for a capital assistance program and \$3 million for the Minnesota Zoological Gardens. The measure also provides \$27.935 million to the Water and Soil Resources Board, \$23 million of which is for RIM and CREP conservation easements. The Dept. of Agriculture receives \$815,000 under the

proposal with \$245,000 earmarked for a joint plan pathology research facility and \$570,000 slated for an agricultural water management research partnership.

The proposal also provides the Dept. of Administration with \$3 million for statewide CAPRA, \$4 million for asset preservation of administration properties and \$400,000 for a workers' memorial. The proposal also provides \$1.637 million in general obligation and user financed funds for parking. The Capitol Area Architectural Planning Board is slated to receive \$3.07 million for renovation and repair of the Capitol Building.

The Amateur Sports Commission is to receive an appropriation of \$3.2 million for phase II of the National Volleyball Center, the Dept. of Military Affairs is to receive \$5 million for asset preservation and facility life and safety repairs, the Dept. of Veterans Affairs is to receive \$500,000 for the Minnesota World War II Memorial and the Dept. of Commerce is to receive \$1 million for biomass fuel heating and cooling grants.

The Dept. of Public Safety is appropriated \$1.269 million for a Blue Earth Regional fire and police facility and for the Rochester Regional Public Safety Training facility. The Veterans Home Board receives an appropriation, under the bill, of \$12.112 million and the Dept. of Corrections receives an appropriation of \$70.35 million for expansion of the Faribault facility, asset preservation and an expansion of Willow River Boot Camp housing.

Under the proposal \$69.64 million is earmarked for transportation projects. Langseth said the proposal contains \$2 million for the North Star Rail project. "The Senate has taken the lead on this project," Langseth said, "and now it is time for the governor and the House to step up to the plate." He added, "The issue will be in play during the conference committee negotiations. It ain't over til it's over."

The proposal also provides \$12.314 million for the Dept. of Human Services and \$8.9 million for the Dept. of Health. Of the appropriations to the Dept. of Human Services, \$3 million is slated for new sex offender treatment facilities at St. Peter, and \$9.014 million is for demolition, redevelopment, repair and preservation of various facilities. Finally, \$300,000 is designated for grave markers for the unmarked graves at Regional Treatment

Facilities. The Dept. of Health appropriation contains funds designated for a health career institute at the Minneapolis Sears site, Hennepin County Medical Center crisis intervention and a health care learning center in St. Paul.

The Housing Finance Agency receives \$20 million for permanent supportive housing loans, the IRRRB receives \$1.8 million for the Mesabi Station and the Historical Society receives \$9.996 million for asset preservation, revitalization of the Fort Snelling site, Kelley Farm land acquisition and the Maplewood Buentrup Farm facility.

A total of \$180 million is directed to the Dept. of Employment and Economic Development for a variety of projects. Under the proposal, \$24 million is for the Minnesota Planetarium and Space Discovery project, \$8 million is for the Shubert Performing Arts and Education Center, \$30 million is for statewide wastewater infrastructure, \$20 million is for the Mayo Clinic-University of Minnesota biotechnology facility, \$10 million is for flood damage repair of Roseau's infrastructure, \$4.1 million is for Crookston and Red Lake Falls riverbank protection, \$2 million is for the Colin Powell Youth Leadership Center, \$500,000 is for the St. Cloud Civic Center and \$125,000 is for the Winona Shakespeare Festival. A number of other projects are also included in the DEED appropriation.

## Finance

### Education, bonding bills approved

Members of the Finance Committee met Tues., May 4, to consider three measures. All of the bills were advanced to the Senate floor.

Sen. Steve Kelley (DFL-Hopkins) sponsored S.F. 1774, the omnibus education policy bill. The proposal had been considered by the committee before, but was laid over because the Department of Education raised fiscal concerns over provisions in the measure. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment, on Kelley's behalf, resolving the fiscal issues, primarily by postponing the eighth-grade administration of the basic skills test during the 04-05 school year. The amendment was adopted. The panel, chaired by Sen. Richard Cohen (DFL-St. Paul), also adopted four technical amendments suggested by Kelley.



Assistant Education Commissioner Pat Olson said the department has several policy and fiscal concerns regarding a testing change in the bill. She said the Measures of Academic Progress (MAP), which the measure uses to replace the Minnesota Comprehensive Assessments (MCA), are not a good accountability tool. The MAP does not measure against grade-level standards, Olson said, as required under federal law. She also noted that the savings projected are questionable, since not all districts have the

necessary infrastructure to implement the computer-administered tests. Kelley said the federal education department has approved a version of the MAP test for accountability measures in Idaho. Many districts are administering the MAP test on their own, he said, and would not need to spend money on two tests, resulting in savings.

S.F. 3057, carried by Sen. Keith Langseth (DFL-Glyndon), is the omnibus bonding bill. Langseth said the measure is comparable to recent bonding bills in its

size. Sen. Mark Ourada (R-Buffalo) expressed disappointment at the amounts allocated to the Capitol Area Architectural Planning Board (CAAPB) and the Northstar Commuter Rail project. Langseth said CAAPB received most of its requests, except for those that require cash appropriations, instead of bonds. Fully funding the Northstar request of \$37.5 million, he said, will require trimming back the proposal because it is already pushing against the 3 percent bonding limit. However, Langseth said, the project is in the bill to express Senate support. Funding the rail line is a done deal if the other body includes three members who support the project on the conference committee, he said. "If it isn't done, it won't be because of the Senate," he said.

Sen. David Knutson (R-Burnsville) said he was disappointed at the low amounts set aside for the Minnesota Zoo. Langseth replied that he had earlier heard from Senators in the Minority Caucus that the bill was too large. Only by having a decent-sized bill, he said, will there be any flexibility for negotiations with the other body. Recommendations from the budget divisions totaled a far higher figure than the amount included in the bill, Langseth said. Knutson said the key was to prioritize what the state needs to spend on. The zoo is an asset of statewide significance, he said, that deserves more funding than it has gotten in recent years. We need more and broader discussions regarding our priorities, Knutson said.

An amendment, offered by Sen. Dennis Frederickson (R-New Ulm), clarifying that funds provided for wastewater infrastructure projects can be used for loans as well as grants was adopted. S.F. 3057 was advanced on a 16-3 roll call vote.

The final bill considered was S.F. 2313. Sponsored by Frederickson, the measure raises the borrowing limit for the Public Facilities Authority to \$1.25 billion, from \$1 billion. The bill also allows the authority to engage in interest swaps and other financial arrangements.

### **Tax dedication revived**

A proposal dedicating, via constitutional amendment, a portion of state sales tax receipts to environmental and arts purposes resurfaced Fri., May 7. Members of the Finance Committee approved S.F. 401 and re-referred it to the Tax Committee.



**Senators Gary Kubly (DFL-Granite Falls) and Sharon Marko (DFL-Cottage Grove) closely examine an historic photograph during a State and Local Government Operations Committee hearing, Wed., May 6, as they consider a bill to help build a new University of Minnesota football stadium.**

Photo by David J. Oakes

# Committee update

At the bill's previous hearing, Sen. Thomas Neuville (R-Northfield) offered an amendment proposing a second constitutional amendment, defining marriage as between one man and one woman, to the bill. Sen. Dallas Sams (DFL-Staples), chief author, had withdrawn the bill from consideration at that point. When the bill reappeared before the committee, Neuville withdrew his amendment. He said the proposal was admittedly unrelated to the bill, but that Sams had accepted an unrelated proposal in an earlier hearing. The bill originally dedicated funds only to environmental purposes, Neuville said, and the measure should have stayed that way. Neuville said sporting groups prefer the original version of the bill. He noted that many Senators, including himself, signed pledges saying they would vote against any unrelated amendments to the bill. The marriage amendment was offered out of frustration with the system, Neuville said. "I haven't got very many options left," he said, to get the marriage amendment heard.

Sen. Pat Pariseau (R-Farmington) offered two amendments. One reduces the dedicated amount and restricts the funding to environmental purposes. She said unrelated purposes should not have been added to the bill, regardless of what groups could bring voters to the polls in support of the constitutional amendment. Sen. Richard Cohen (DFL-St. Paul), committee chair, said the amendment eliminates dedicated funding for parks and trails and zoos. The amendment makes the bill a non-Metro Area proposal, he said. The amendment was defeated on a 3-13 roll call vote. The other amendment prevents dedicated funds from being spent to infringe on individuals' rights to hunt, fish, trap game or own firearms. Sen. Steve Murphy (DFL-Red Wing) said the language is unnecessary because the rights are already constitutionally protected. Other committee members said the language could create problems if two environmental groups disagree over land use. The amendment was defeated, 7-10.

Sams offered an amendment removing language providing that the dedicated funds cannot supplant existing funding for the arts. The amendment was adopted.

In other action, the committee approved S.F. 1904, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul). The bill, which clarifies public transit crimes and railroad grade crossing

stop requirements, was advanced to the full Senate.

## Jobs, Energy and Community Development

### Appointees approved

The Jobs, Energy and Community Development Committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), met Tues., May 4, to consider a number of gubernatorial appointments. Members recommended confirmation of Matt Kramer as commissioner of the Dept. of Employment and Economic Development, Scott Brener as commissioner of the Dept. of Labor and Industry, James Cunningham, Jr., as commissioner of the Bureau of Mediation Services, Sandy Layman as commissioner of Iron Range Resources and Rehabilitation, and Tim Marx as commissioner of the Housing Finance Agency.

The panel also approved the appointments of LeRoy Koppendrayner, Ken Nickolai, and Marshall Johnson to the Public Utilities Commission and Marina Lyon, Betty Lour Berg and Lee Himle to the Housing Finance Agency Board. Finally, the appointments of Dan Ferber, Erick Lewis, Andy Wells, William Baker, Milton Toratti, Keith Dennehy, Daniel Pauly and Mary Mathews to the State Board of Invention were all approved.

## State and Local Government Operations

### Stadium bills advance

Two proposals to build new athletic stadiums were approved by members of the State and Local Government Operations Committee, Wed., May 5. The panel, chaired by Sen. Linda Higgins (DFL-Mpls.), advanced both bills to the Finance Committee.

S.F. 2825, sponsored by Sen. Geoff Michel (R-Edina), provides for a football stadium for the University of Minnesota. Michel said the bill makes the state a limited partner in the stadium effort, by requiring the University to raise 75 percent of the \$222 million cost before the state provides the remaining funds. He said the University needs to know it has state support before it begins the significant capital campaign required to raise funds from corporations and indi-

viduals. A significant donor pool exists for a Gophers-only facility that will not emerge if the Gophers are required to share the stadium with a professional team, Michel said.

University President Robert Bruininks said an on-campus Gophers stadium is the best solution for the University and for the state. Twenty years ago, he said, life on campus was different. Since then, on-campus and near-campus living has increased for undergraduates and a critical part of any large university's infrastructure is missing, Bruininks said. He said the University has one of the lowest student attendance figures and the lowest overall revenues in Big Ten football. Football revenues are the best possibility to increase funds for athletics as a whole, especially non-revenue sports, Bruininks said. Several other University figures also spoke in support of the Gophers' proposal, including the football coach, vice president of finance, athletic director and student body president.

Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment to the bill requiring the University's Board of Regents to guarantee affordable student access to University athletic events at the stadium. Sen. David Senjem (R-Rochester) said policymakers should trust the board to provide affordable access without a legislated guarantee. Eric Dyer, student body president, said the University has already offered students the best benefits package around—including discounts to non-stadium athletic events—in exchange for the \$50 per student fee students have imposed on themselves. Bruininks said the University would prefer not to have the language in the amendment, but that it can live with it. He said the University intends to deliver on its promise and that students are owed no less, but not every situation can be anticipated. The amendment was adopted.

An amendment requiring Minnesota iron products to be used in construction of the stadium was offered by Sen. David Tomassoni (DFL-Chisholm). Several other Senators said they could also offer amendments requiring other Minnesota products to be used, such as wood and wheat. The amendment was not adopted.

S.F. 2536, carried by Sen. Steve Kelley (DFL-Hopkins), provides for a stadium authority to supervise the development of two new professional



sports facilities to replace the Metrodome. Professional sports are part of the fabric of life for many Minnesotans, Kelley said. Stadiums are part of the public infrastructure, he said, and a recent study indicated that communities with professional football stadiums have higher home values and rents. Constructing two new facilities creates jobs in both construction and stadium operation, Kelley said. He said the price of steel is rapidly inflating and waiting to build the facilities comes with a cost.

The bill, Kelley said, is essentially the governor's bill, with a few changes. The measure establishes the criteria for moving forward with stadium construction, but does not yet include a financing structure. Kelley said a few provisions have been added to the governor's proposal, including requirements that the stadium authority consider retaining an internationally known architect, that the stadiums comply with principles of sustainable design as much as possible and that the development agreements be approved by the stadium authority, the team and the host community. Instead of trying to capture the increased value of the team as proposed by the governor, Kelley said, the bill requires 15 percent of the sale price of the team to be transferred to the state if the team is sold within five years of the stadium opening. Every year after that, he said, the percentage is reduced by one point.

Members adopted an amendment, offered by Higgins, providing for geographic diversity among the members of the stadium authority. The panel also

heard from representatives of both professional teams, possible host communities and other interested groups.

## Taxes

### Pension bill gains

The Tax Committee met twice Tues., May 4, to consider bills relating to impaired waters and to pensions and retirement.

Members first considered the omnibus pension bill, S.F. 676, sponsored by Sen. Don Betzold (DFL-Fridley). The panel adopted two technical amendments offered by Betzold. Committee Chair Lawrence Pogemiller (DFL-Mpls.) offered five additional amendments. One permits the University of Minnesota to put its police chief in its faculty and management retirement plan instead of in the public employees police and fire fund. Another requires the Public Employees Retirement Association to recognize employer contributions to a central national or international pension fund as part of an employee's salary. A third amendment provides for the rescinding of a joint-and-survivor annuity in certain divorce situations. Pogemiller noted that the amendment does not fit the general direction of actions recommended by the Legislative Commission on Pensions and Retirement. The final two amendments provide for the consolidation of the Minneapolis Teachers Retirement Fund Association (MTRFA) with the Teachers Retirement Association (TRA). Members discussed the proposals and then recessed to attend the floor session.

When the panel reassembled in early afternoon, Senators acted quickly on the amendments to the omnibus pension bill. All of the amendments were adopted except for the proposal relating to joint and survivor annuities in divorce situations. Pogemiller said the amendment was not yet ready for prime time. The bill was approved and advanced to the full Senate.

A bill providing for the designation and clean-up of impaired waters was also discussed. S.F. 2889, sponsored by Sen. John Marty (DFL-Roseville), provides the authority, direction and funding to achieve and maintain water quality standards for Minnesota's surface waters. Marty said the measure is the governor's top environmental initiative. The bill provides for the identification and clean-up of impaired waters as required by the federal Clean Water Act. He added that a number of projects such as the Highway 12 project may be stopped until impaired waters are dealt with. He said the bill is the result of work done by a task force of stakeholders including business groups, environmental groups, state agencies and agricultural interests. The taskforce recommended funding the proposal through an annual \$36 fee per household and an annual \$150 fee per business throughout the state. However, Marty said even though it is the governor's initiative, no one wants to fund the proposal. "I said I would introduce the bill, but that I wanted another funding mechanism. I suggested the income tax to provide a revenue source of \$100 million," Marty said. "It is a high priority and we should be moving forward with it," Marty concluded.

Mike Robertson, representing the Minnesota Business Partnership, said the partnership was part of the stakeholders group developing the proposal and supported the fee structure recommended by the task force.

Lisa Thorvig, Pollution Control Agency, said the governor supports the policy language in the bill, but does support either the fee structure recommended by the task force or the income tax proposal contained in the bill. "The governor has pledged to work with the stakeholders to come up with a satisfactory funding option," Thorvig said.

Pogemiller said the panel was not ready to take action on a measure increasing income taxes and suggested that talks about a funding source continue throughout the interim.



**The Capital Investment Committee meets Tues., May 4, to consider the Senate bonding bill.**

Photo by David J. Oakes

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# *Senate Briefly*

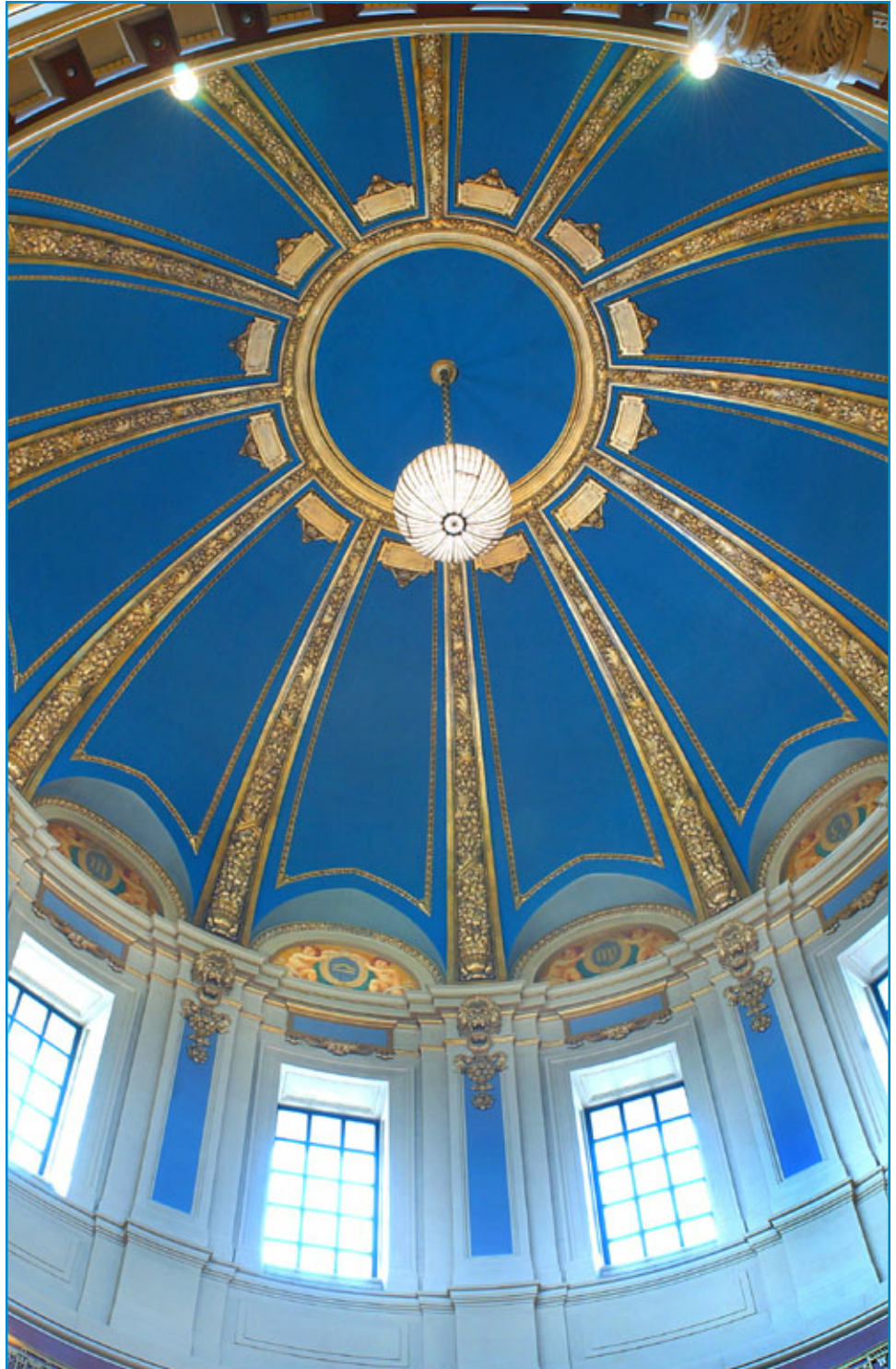
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*Page 2 Floor update*

*Page 21 Committee update*

*In recognition of Statehood Day, Tues., May 11, the chandelier shines brightly high above the Capitol Rotunda.*

*Photo by David J. Oakes*



*May 17, 2004*



# Floor update

## Liquor bill approved

With one week to go before the constitutional deadline for adjournment, Senators met Mon., May 10, to consider several measures designated Special Orders. Senate Rules permit the Majority Leader to designate bills Special Orders in order to expedite the legislative process.

Among the measures granted final passage was the omnibus liquor bill, S.F. 2696, sponsored by Sen. Sandra Pappas (DFL-St. Paul). The measure modifies license fees for brewers, permits brewers manufacturing fewer than 3,500 barrels a year to sell growlers and allows municipalities to issue temporary on-sale licenses for social events sponsored by brewers. The bill also allows on-sales of 3.2 malt liquor and intoxicating liquor on Sundays beginning at 10 a.m. S.F. 2696 provides that intoxicating liquor may be sold, off-sale, until 10 p.m. statewide, Monday through Saturday. Minnesota-produced malt liquor may be sold at the State Fair, under the bill, and an on-sale liquor license may be issued by St. Paul for Capitol Building centennial celebrations. Pappas offered an amendment clarifying that establishments licensed to sell liquor may not be within 1,000 feet of a state prison, hospital, training school or reformatory. The amendment was adopted.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment permitting the sale of Minnesota-produced wine in grocery stores occupying at least 10,000 square feet of space. Murphy said the language provides an opportunity for small busi-

nesses to get a foot into the market. Sen. William Belanger (R-Bloomington) said any effort to sell wine in grocery stores should go through the committee process. The amendment is just the camel's nose under the tent for full-fledged wine sales in supermarkets, he said. Sen. Don Betzold (DFL-Fridley) said the amendment appears to violate the U.S. Constitution's Commerce Clause. There is no legitimate state purpose in preferring in-state products for sale, he said.

It makes more sense to just let retailers sell any legal product, said Sen. Dave Kleis (R-St. Cloud). Kleis offered an amendment to the amendment permitting retailers to sell any legal product as long as the retailer complies with any applicable laws. He said the amendment levels the playing field between grocers and liquor stores. Pappas said the amendment is too broadly tailored and risks numerous unintended consequences. Sen. Linda Scheid (DFL-Brooklyn Park) said that while she supports wine in grocery stores, the amendment lacks important safeguards. Kleis withdrew his amendment to the amendment. The Murphy amendment was defeated, 15-51.

Sen. John Hottinger (DFL-St. Peter) offered an amendment deleting the permission for the sale of strong beer at the State Fair. We do not need to turn the Great Minnesota Get Together into party time, he said. The Fair has survived many generations without strong beer, Hottinger said. Pappas said Fair-goers have shown themselves to be responsible citizens. With over 1.3 million people attending the Fair in 2003, she said, only 20 alcohol-related arrests were made. The Hottinger amendment was adopted, 41-25.

S.F. 2696 was granted final passage on a 54-10 roll call vote.

## OHV bill debated

Sen. Dennis Frederickson (R-New Ulm) carried S.F. 2793. The measure, the second major bill of the Mon., May 10, session, modifies regulations on off-highway vehicles (OHVs) imposed last year. Many of the bill's provisions are targeted at resolving issues concerning OHV use in wetlands. Misuse or overuse of OHVs can be as destructive to a wetland as draining the area, Frederickson said. Wetlands are among the most productive ecosystems in the world, he said, comparable to rain forests and coral

reefs. Members adopted several amendments offered by Frederickson. Most of the amendments were of a primarily technical nature. One of the amendments removes a prohibition on installing snorkels on OHVs and applies the prohibition only to all-terrain vehicles (ATVs).

Another Frederickson amendment clarifies that the natural resources commissioner may grant an exception to regulations for a privately-owned wetland without making an on-site evaluation. Sen. Thomas Bakk (DFL-Cook) said a different solution needs to be found. Landowners should not have to go to the government to get a permit to cross their own land, he said. Frederickson said the amendment and the underlying bill ease restrictions on crossing wetlands. The amendment was adopted, 43-20.

Sen. Tom Saxhaug (DFL-Grand Rapids) offered an amendment permitting ATV use on frozen wetlands located on private property, unless the wetland is larger than 10 acres or is not frozen enough to prevent rutting. The amendment still protects public wetlands and large private wetlands, he said. Saxhaug said residents of Northern Minnesota care about wetlands, but need to be able to access land surrounded by bog-type wetlands. Three million acres of land are classified as bogs in the state's northern counties, he said. "We don't wreck our own land," said Sen. Paul Koering (R-Fort Ripley). Property owners can be trusted to have the best interests of the land at heart while exercising their property rights, he said. Frederickson opposed the amendment, saying many species of vegetation are emerging during the winter. Operating OHVs on frozen bogs destroys the emergent vegetation, turns away other wildlife and provides trails for predator species to enter bogs, he said. Sen. Carrie Ruud (R-Breezy Point) said the amendment represents a giant step backward from last year's legislation. The amendment was adopted, 34-33.

An amendment providing that landowners may, if necessary, drive over closed trails to access cabins was offered by Sen. Michelle Fischbach (R-Paynesville). Ruud offered an amendment reducing registration fees for off-road vehicles (ORVs) and removing statutory language providing for ORV trails. Ruud said the ORV trail creation process is stalled and ORV drivers should not have

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### Editorial Staff:

Karen L. Clark  
Joshua A. Dorothy

### Photographer:

David J. Oakes



*Nobel Peace Prize winner Norman Borlaug greets, from left to right, Senators Sandra Pappas (DFL-St. Paul), Ann Rest (DFL-New Hope) and Ellen Anderson (DFL-St. Paul) following his acknowledgment on the Senate floor, Mon., May 10.*

Photo by David J. Oakes

to pay for trails that are not going to be created. Sen. Rod Skoe (DFL-Clearbrook) offered an amendment establishing a process for townships to identify unused roads in wildlife management areas. Skoe said the amendment allows the ATV trail development and designation process to move forward. All three amendments were adopted.

The measure was laid on the table at Frederickson's request.

In other action, members acceded to the request of the other body to appoint conference committees for H.F. 1793 and H.F. 2277. The measures are the education policy bill, carried by Sen. Steve Kelley (DFL-Hopkins), and a Dept. of Human Services licensing measure, carried by Sen. Sheila Kiscaden (IP-Rochester), respectively. Senators also observed a brief recess to honor Nobel

laureate Norman Borlaug, the father of the green revolution and a University of Minnesota alumnus.

### **Transportation policy bill okayed**

For the third major bill of the day, Senators turned to the omnibus transportation policy bill, S.F. 2335, sponsored by Sen. Steve Murphy (DFL-Red Wing). The measure combines numerous bills heard by the Transportation Policy and Budget Division over the course of the year, Murphy said. The bill modifies provisions relating to the use of real estate appraisal data, alters road limits for forest products transportation, provides incentives for hybrid vehicles by allowing the cars to use HOV lanes or pay reduced tolls for HOT lanes, prohibits closing rest areas, sets specifications for toll facilities, provides school zone speed limits,

prohibits the use of traffic signal preemption devices, prohibits use of cell phones by young drivers, prohibits leaving a child under 9 unattended in a motor vehicle, regulates motorized scooters, requires the use of booster seats in vehicles, provides that violation of the seat belt law is a primary offense, requires drivers' license exams for habitual offenders and authorizes the issuance of trunk highway bonds.

Murphy offered a series of amendments, many of them technical changes or clean-up language. Other amendments Murphy offered include provisions to set up a rural road safety account, to clarify the provision relating to leaving a child unattended in a motor vehicle, to set up a program to replace town signs, to comply with federal law and to allow the Dept. of Public Safety to confiscate illegal identification cards. All the amendments were adopted.



# Floor update

Murphy's final amendment appropriates \$6 million from the state airports fund to construct a permanent flood control perimeter dike along the south and east edges of the St. Paul Downtown Airport/Holman Field. Sen. Dennis Frederickson (R-New Ulm) questioned whether the amendment jumps the St. Paul Airport ahead of other airport projects in other parts of the state. Murphy said the amendment does not skip the project to the front of the line. Sen. Mee Moua (DFL-St. Paul) opposed the amendment on the grounds that the construction will damage the livability of the neighborhood. Moua said there has not been adequate discussion among stakeholders to go forward. However, Sen. Mike McGinn (R-Eagan) supported the amendment. He said the airport is a major reliever airport and needs to be improved to consistently fill that role. The amendment was adopted.

An amendment allowing a bus driver transporting a disabled child or adults to a day activity center may use prewarning

flashing amber signals and stop signal arms was also adopted. The provision was offered by Sen. Dean Johnson (DFL-Willmar). Sen. Linda Berglin (DFL-Mpls.) offered an amendment allowing a buyer who has purchased a lighted license plate holder to have a cause of action against the seller of the equipment.

She said the equipment is illegal in Minnesota unless authorized by the Dept. of Public Safety, but vendors are selling the equipment without telling purchasers the devices are illegal. Several members argued against the amendment and said the provision is unworkable and enforcement of the law should be a first priority. The amendment failed on a 23-43 roll call vote.

Sen. Michael Jungbauer (R-East Bethel) offered, and members adopted, an amendment requiring notice before a municipal airport is closed. Sen. Tom Saxhaug (DFL-Grand Rapids) offered an amendment deleting a provision relating to finished products weight changes. He said the amendment is part of negotia-

tions relating to supporting the forest industry in the state. Saxhaug offered a second amendment changing the allocation for funds to allow for reimbursement of local costs of maintenance and repair of county highways and town roads impacted by forest product vehicles. All three amendments were adopted.

Members also adopted an amendment, offered by Sen. David Knutson (R-Burnsville), clarifying the definition of motorized scooters. Sen. Yvonne Prettner Solon (DFL-Duluth) offered an amendment authorizing the use of existing funds to determine the cause of freshwater corrosion of harbor sheet piling at the Port of Duluth. The amendment was adopted.

Sen. Sheila Kiscaden (IP-Rochester) offered two amendments relating to eminent domain right of way acquisition process. The first, a technical amendment, was adopted without debate. The second amendment requires a review and report on the Dept. of Transportation right-of-way acquisition practices, including the



*From left to right, Senators Dave Kleis (R-St. Cloud), Sean Nienow (R-Cambridge) and Betsy Wergin (R-Princeton) consult during a recent floor session.*

Photo by David J. Oakes

use of eminent domain. The amendment also spells out factors to be included in the report. Murphy supported the amendment and it was adopted on a voice vote.

Sen. Gary Kubly (DFL-Granite Falls) offered an amendment providing for an appropriation of \$635,000 from the bond proceeds fund to design, construct and equip a municipal maintenance garage and reconstruct city streets damaged by a tornado in Buffalo Lake. The amendment was adopted on a 61-5 roll call vote. An amendment, offered by McGinn, prohibiting street racing and setting penalties for violators was also adopted. McGinn said street racing is a growing difficulty and can result in death or serious injury. Sen. Jane Ranum (DFL-Mpls.) offered an amendment making language regarding airport planning consistent with that in the omnibus tax bill. Sen. Charles "Chuck" Wiger (DFL-North St. Paul) offered an amendment clarifying language relating to the safe transportation of animals. Both amendments were adopted.

Sen. David Tomassoni (DFL-Chisholm) offered an amendment deleting the provision that makes violation of the seatbelt law a primary offense. Tomassoni said the bill goes back on a promise made years ago when the seatbelt law was enacted. "It is already against the law to not wear a seatbelt," Tomassoni said. Murphy argued against the amendment. "In 2002, 672 people lost their lives on Minnesota highways and half of those were not wearing their seatbelts," Murphy said. He said most of the time people not wearing seatbelts are often ejected from the vehicle, increasing the chance of death or serious injury. We are going to fight long and hard for this provision, Murphy said. Sen. Leo Foley (DFL-Coon Rapids) also opposed the amendment. "In my years as a state trooper I saw many fatalities that need not have happened if the victims had worn their seatbelts," Foley said. Sen. Steve Dille (R-Dassel) said other states have seen an increase in compliance that in Minnesota would result in 35 or 40 fewer fatalities each year. "The cost benefit relationship is clear," Dille said. However, Sen. Pat Pariseau (R-Farmington) said a primary seatbelt law is not necessary. She said law enforcement officers have adequate reasons to pull drivers over and don't need another reason.

The amendment failed on a 27-29 roll call vote.

Wiger offered an amendment allowing for accident prevention courses taken in other states that are equivalent to Minnesota courses to be recognized in order to qualify for reductions in insurance premiums. The amendment was adopted. Sen. Julie Rosen (R-Fairmount) offered an amendment allowing permits for articulated buses up to 61 feet in length. The amendment was adopted. Bakk offered an amendment appropriating \$1.262 million in bond proceeds for the state share of the East Two Rivers project near Tower, including realignment of highways. The amendment failed on a voice vote.

Kiscaden offered an amendment modifying the membership of the Metropolitan Airports Commission. Under the amendment, tier-two airports and intermediate airports would be better represented on the commission, Kiscaden said, but the amendment is not an attempt to create a statewide board. Sen. William Belanger (R-Bloomington) opposed the amendment and said the Metropolitan Airports Commission is tailored to represent the communities most affected by the Minneapolis-St. Paul Airport. The amendment failed on a voice vote.

An amendment, offered by Sen. Claire Robling (R-Jordan), modifies a provision in the bill requiring drivers to stay in the right lane unless passing other vehicles. Under the amendment, drivers are allowed to move to the left lane in order to allow other vehicles to merge onto the highway. The amendment failed on a divided voice vote.

An amendment removing the provisions relating to increasing the weight limits for transporting forest products was offered by Sen. Sandra Pappas (DFL-St. Paul). Pappas said there are traffic safety concerns in allowing the larger vehicles on the roads. Saxhaug opposed the amendment and said the provisions are important for the economy of Northern Minnesota. Murphy said the provision is a jobs provision and is needed to keep jobs in the northern part of the state. The amendment failed on a 9-54 roll call vote.

The bill was granted final passage on a 45-17 roll call vote. Murphy then laid the bill on the table.

Members also granted final passage to one bill on the Consent Calendar. H.F. 2052, sponsored by Sen. John Hottinger

(DFL-St. Peter), extends the sunset date for a supportive housing and managed care pilot project.

## Doves in the crosshairs

The omnibus game and fish bill was the final major piece of legislation considered, Mon., May 10. A provision adding mourning doves to the list of game birds was targeted for removal from the measure, H.F. 2368, but managed to survive.

Sen. Tom Saxhaug (DFL-Grand Rapids), chief author, said the measure includes many non-controversial provisions that are necessary to maintain hunting and fishing in Minnesota. However, the mourning dove provision generated considerable discussion.

An amendment deleting the provision was offered by Sen. Sandra Pappas (DFL-St. Paul). Doves are backyard songbirds that have very little meat, Pappas said. She said the provision is really about recreational target practice. Doves are not a threat or a nuisance, and there is no sport in dove hunting, she said. Many doves are left to die in the field, she said, and young doves are likely to be orphaned. Now is not the time to break a more than 50-year tradition of protecting this song bird, Pappas said. She also read a mourning dove recipe popularized by former Sen. Allan Spear. The recipe serves four but requires 33 large mourning doves, Pappas said.

Sen. Pat Pariseau (R-Farmington) spoke against the amendment, saying the actively-hunted pheasant and grouse are also beautiful birds with lovely songs. The mourning dove is the most numerous game bird in the nation, she said. Pariseau noted that all neighboring states, except Iowa, have dove hunting seasons. Sen. Becky Lourey (DFL-Kerrick) replied that the dove population is in decline, and now is not the time to introduce a hunting season.

The amendment was adopted, 35-31. Sen. Claire Robling (R-Jordan) moved to reconsider the amendment, saying she had pressed the wrong voting button. The motion to reconsider prevailed, 54-12. On the second vote, the amendment failed, 33-33.

Sen. Rod Skoe (DFL-Clearbrook) offered an amendment providing an exception to the deadline for removing ice houses. Sen. Satveer Chaudhary (DFL-Fridley) offered an amendment requiring a



# Floor update

study to improve and promote wildlife habitat. Both amendments were adopted.

Sen. Betsy Wergin (R-Princeton) offered an amendment providing for additional attendees to meetings of the 1837 Ceded Territory Fisheries Committee, created by a 1996 court order. Sen. Richard Cohen (DFL-St. Paul) said the Legislature should not take lightly any possible interference with a federal court order. The amendment was not adopted on a 33-33 roll call vote.

The omnibus game and fish bill was granted final passage, 42-24.

## Bills gain final passage

Senators devoted the Tues., May 11, floor session to discussing and voting on a number of bills on Special Orders. Most of the measures were granted final passage without a great deal of discussion.

A bill modifying requirements for various public health occupations was the first item for debate. The measure makes licensing changes for a number of occupations such as acupuncture practitioners, licensed professional counselors, alcohol and drug counselors, speech language pathology assistants, dentists, dental hygienists, dental assistants and podiatrists. The measure also modifies provisions for designating essential community providers. H.F. 2175 is a bill that came together from a number of bills making technical changes in health occupations licensing, said Chief Author Sheila Kiscaden (IP-Rochester). Kiscaden offered an amendment allowing persons who provide integrated dual-diagnosis treatment in adult mental health rehabilitative programs to continue to do so. The amendment was adopted.

Sen. Ann Rest (DFL-New Hope) offered an amendment to require each health related licensing board to appoint an executive director and submit the appointment to the governor. She said the amendment provides more accountability and oversight for the boards. Members adopted the amendment on a voice vote. Sen. Rod Skoe (DFL-Clearbrook) offered an amendment adding to the definition of case managers by including persons certified by a federally recognized tribal government within the state. The amendment was adopted and the bill granted final passage.

Kiscaden also sponsored a bill, H.F. 2207, clarifying that individuals may participate in pharmaceutical



**Senators Julie Rosen (R-Fairmont) and Becky Lourey (DFL-Kerrick) converse in the Senate Chamber.**

Photo by David J. Oakes

manufacturer's rebate programs. She offered an amendment limiting the incentives that drug manufacturers may offer to maintain brand loyalty. The amendment was adopted. Sen. Brian LeClair (R-Woodbury) offered an amendment clarifying that companies may offer discount coupons. Kiscaden opposed the amendment and said the provision goes against the purpose of the bill. LeClair argued that the amendment

allows the free market to operate without restrictions. Kiscaden countered, "I don't want to impair the medical marketplace, but the current market is skewed." The amendment failed on a 28-36 roll call vote. The bill was passed on a 52-15 roll call vote.

Sen. Julie Rosen (R-Fairmount) carried H.F. 2386. The bill makes technical and housekeeping changes related to the merger of the Dept. of Economic

Security and the Dept. of Trade and Economic Development in the Dept. of Employment and Economic Development. She said the measure does not deal with moving the agencies from one location to another. The bill was granted final passage unanimously. H.F. 722, sponsored by Sen. William Belanger (R-Bloomington), exempts garbage trucks and recycling vehicles from some seasonal weight restrictions. The measure gained final passage on a 60-2 roll call vote.

H.F. 1691, carried by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), specifies that a county or town board may not make final payment on any road construction or improvement contract for road work until the engineer or person in charge of the work has certified that the work has been done and performed according to contract. H.F. 2444, sponsored by Sen. Ann Rest (DFL-New Hope), enacts the Uniform Conflict of Laws Limitations Act. The bill regulates the limitation periods of civil actions for actions arising outside the state and specifies the statutes and rules of law governing the tolling and accrual applicable in computing the limitation period. Rest said the bill will aid in stopping the practice of court shopping to find the most favorable statute of limitations. H.F. 2017, authored by Sen. Dan Sparks (DFL-Austin), authorizes the Medical Malpractice Insurance Joint Underwriting Association to issue malpractice insurance policies with higher liability limits to long term care providers if the association finds that the applicant needs the higher limits. All three measures were granted final passage.

The only controversy of the session occurred during the debate on H.F. 1961. The bill, sponsored by Sen. Leo Foley (DFL-Coon Rapids), expands the crime of causing the death of a child while committing child abuse to murder in the first degree. Current law specifies the first degree murder crime applies when the perpetrator has engaged in a pattern of abuse on the child. The bill broadens the crime to include abuse of any child.

Sen. Dave Kleis (R-St. Cloud) offered an amendment specifying that persons convicted of first degree murder and criminal sexual conduct in the first degree be sentenced to life imprisonment without possibility of parole. Kleis said one of the more important issues of the session is increasing penalties for the worst of the

worst crimes. Sen. Linda Berglin (DFL-Mpls.) questioned the germaneness of the amendment. She said the bill is very narrowly drawn, but the amendment goes far beyond by specifying sentences for first degree murder and criminal sexual conduct. Kleis argued the amendment is dealing with the same subject matter of sentencing and first degree murder. However, Berglin argued that the bill seeks to accomplish a substantially different purpose. Sen. Linda Scheid (DFL-Brooklyn Park), presiding at the time, declared the amendment not germane. Kleis appealed the decision of the chair. The decision of the chair was upheld 38-28. Kleis offered another amendment specifying that the penalty for murder in the first degree is life in prison without possibility of parole, but Foley moved to lay the bill on the table before action was taken on the amendment. The motion to table was adopted.

S.F. 2068, authored by Sen. Steve Dille (R-Dassel), prohibits tree planting over drain tiles. H.F. 2419, carried by Scheid, modifies a provision providing for purchase money mortgages. Sen. Thomas Neuville (R-Northfield) offered an amendment setting up a process for redeeming judgments, liens or mortgages to make it easier for sheriffs to determine who may redeem the property. The amendment was adopted and the bill granted final passage on a 66-0 vote.

H.F. 1897, carried by Sen. Steve Kelley (DFL-Hopkins), grants legislative approval for the consumptive use of groundwater under a permit in Golden Valley, Crystal and New Hope in connection with a municipal water supply system operated under a joint powers agreement subject to approval of the commissioner of natural resources. Sen. Scott Dibble (DFL-Mpls.) offered an amendment requiring a determination by the commissioner that the water remaining in the basin of origin will be adequate to meet the basin's need for water. Kelley opposed the amendment and said the basin covers much of the state and the bill is simply allowing the three cities to cooperate. However, the amendment was adopted on a voice vote. The bill was granted final passage on a 65-0 vote.

Foley also sponsored a bill, H.F. 1941, authorizing Anoka County to establish a Personnel Board of Appeals. S.F. 1790, carried by Dibble, increases the flexibility of local government contracting. Dibble

said the bill increases the purchasing authority of city managers in plan B cities, increases the competitive bidding threshold for small cities and authorizes the use of reverse auctions and electronic bidding and selling. Sen. Linda Higgins (DFL-Mpls.) offered, and members adopted, an amendment clarifying that nothing in the bill prohibits a municipality from adopting a resolution, rule, regulation, or ordinance relating to minimum labor standards or procurement from economically disadvantaged persons. Wiger offered an amendment removing the ability to have reverse auctions for engineering design or computer services. Wiger said allowing services to be included in the reverse auctions eliminates the ability to have creative solutions or innovative ideas. The amendment was adopted 41-24. The bill was granted final passage on a 61-5 roll call vote.

Members also adopted the conference committee report and repassed the bill regulating loans and abandoned property left with museums and archives repositories. H.F. 1645, sponsored by Higgins, also provides a process for establishing ownership of property loaned to museums. In addition, members adopted the conference committee report on S.F. 1753. The measure, sponsored by Sen. Ellen Anderson (DFL-St. Paul), modifies the low-income electric rate discount program. She said the other body had adopted an amendment allowing a school district to sell electricity from wind energy conversion systems. Anderson said the conferees amended the measure to make the provision apply statewide. The bill was repassed on a 65-0 roll call vote.

### **Alien farm ownership approved**

Holders of investor visas may soon be able to own dairy farms in Minnesota, under legislation approved by the Senate, Wed., May 12. Senators met to consider several bills as Special Orders.

Sen. Jim Vickerman (DFL-Tracy) carried the omnibus agriculture policy bill, S.F. 2428. Among other things, the measure provides for the use of electronic signatures in grain transactions, modifies ethanol plant ownership disclosure requirements and establishes as state policy the promotion of livestock production on family farms under a broad range of management systems that are environmentally sound and meet all legal requirements.



# Floor update

An amendment permitting holders of investor visas, also called E-2 visas, to own dairy farms was offered by Sen. Dallas Sams (DFL-Staples). We are the only state denying these visa holders to come here, work a farm and progress toward citizenship, he said. He noted that E-2 visa holders are allowed to own other businesses in the state, but not farms. Sams said the declining state of the dairy industry requires that we act quickly to bring more farmers into the market. There are many vacant dairy farms for sale across the state, he said, and dairy processing plants have been closing. Visa holders are not going to come here to take money out of the state or break our environmental laws, Sams said. Breaking any of our laws, he said, means they lose their visa status. "They don't farm to live, they live to farm," he said. The amendment requires the owners to live in the state for 10 months every year, requires the visa holders to work toward citizenship and restricts visa holders to owning no more than 1,500 acres of land.

Sen. Paul Koering (R-Fort Ripley) said the state should focus on helping its own residents first. We should be taking care of the young people here who want to buy land and start farming, he said. The state already does much to help young farmers along, Sams replied. There is room for everyone to grow, he said. Sen. Julie Rosen (R-Fairmont) said the amendment represents a significant economic development opportunity. We need people in Greater Minnesota, she said, and if foreign investor-farmers want to raise their families and grow their businesses in Minnesota, we should welcome them.

I support immigrant ownership of farms, said Sen. Becky Lourey (DFL-Kerrick), but this is foreign ownership. In Wisconsin, E-2 visa farmers have 600-cow dairies, she said, while over half of Minnesota dairies have 50 cows or fewer. Lourey offered an amendment to the amendment limiting E-2 visa holder dairies to 300 cows. If policymakers want to allow foreign ownership, we should start slowly, she said. Sams spoke against the amendment, calling it discriminatory. E-2 visa holders are already facing stricter restrictions than other farmers, he said. The amendment is part of an on-going fight over business size, he said, that is too often focused on agriculture. The Lourey amendment to the amendment was not

adopted, 10-55. The Sams amendment was adopted, 51-14.

Sen. Steve Murphy (DFL-Red Wing) offered an amendment modifying the shared savings loan program to limit its interest rate to three percent and to give priority for loans to organic farmers. Both provisions apply until June 30, 2007. Farmers need additional access to funds to start or expand their businesses, Murphy said. He said organic farming is the growing segment of agriculture, but that the time required to become a certified organic producer makes traditional lenders wary. Sen. Betsy Wergin (R-Princeton) moved to divide the amendment, so that each provision would be considered separately. There is no need for preferential treatment among farmers, she said. Both provisions of the amendment were adopted.

An amendment providing an exception to food handler licensing laws for homemade canned goods was offered by Sen. Dennis Frederickson (R-New Ulm). The amendment creates an exception for canned pickles, fruits or vegetables sold at community events or farmers' markets. Sellers must display signs indicating the canned goods are homemade and not subject to state inspection, under the amendment, and must label each container with the name and address of the person who processed and canned the food and the date of the canning. Sen. Linda Berglin (DFL-Mpls.) said there are grave public health concerns with the proposal. Not everyone who cans does so with great diligence, she said. The amendment was adopted, 53-12. An amendment, offered by Sen. Steve Dille (R-Dassel), allowing economic development funds to be used for dairy modernization and requesting the Dept. of Agriculture to study a proposed beginning dairy farmer program was also adopted.

Sen. Sandra Pappas (DFL-St. Paul) offered an amendment prohibiting the producers of ethanol located in a city of the first class from receiving producer payments. The amendment failed on a divided voice vote.

Lourey offered an amendment relating to life estates and joint tenancies. She said the amendment will help in passing on the farm from one generation to the next. Under the amendment, joint tenancies and life estates continues after the death of an Medical Assistance or Medicare recipient. The provision undoes

the change enacted last year, Lourey said. The amendment is funded by requiring the Dept. of Human Services to transfer funds in an unappropriated account. Sen. Brian LeClair (R-Woodbury) objected to the amendment on the grounds of germaneness. LeClair said the amendment is a human services proposal, not an agricultural measure. Berglin supported the LeClair motion, and said it is taking money from human services in an omnibus agriculture bill. However Dille said the amendment is germane because it affects agriculture in the state. Sen. James Metzen (DFL-South St. Paul), president of the Senate, ruled the amendment was not germane.

The bill was granted final passage on a 60-6 roll call vote.

The Dept. of Transportation technical bill, sponsored by Sen. Julianne Ortman (R-Chanhassen), was also granted final passage. S.F. 2263 is a noncontroversial housekeeping bill, Ortman said. The measure was amended to correct an error that did not record the removal of a provision in committee.

A resolution, sponsored by Sen. John Hottinger (DFL-St. Peter), was heard. S.R. 156 expresses support for the revitalization of the Dakota and Ojibwe languages. Hottinger said the traditional languages of American Indian people are at the core of their identities and form the basic medium for the transmission and survival of American Indian heritage, cultures, spirituality and cultural values. The resolution was adopted.

Members then discussed an ethanol bill, H.F. 2633, sponsored by Rosen. The bill specifies that an environmental impact statement is not required for an ethanol plant that produces less than 125 million gallons of ethanol annually and is located outside the Metropolitan Area. Rosen said the plants are important for economic development in Greater Minnesota. Pappas offered an amendment prohibiting a subsidy to an ethanol plant located in a city of the first class. Rosen objected to the amendment on the grounds of germaneness. Rosen said the bill deals with environmental impact statements, not subsidies, a completely different topic. Pappas argued that both the bill and the amendment relate to production of ethanol and both address the same section of statutes. The amendment was ruled nongermane. The bill was granted final passage on a 53-8 roll call vote.

A bill providing for a review of hospital moratorium exceptions also gained final passage. Chief Author Michelle Fischbach (R-Paynesville) moved that the language from the other body be substituted for the Senate language. Berglin objected to the motion and said the amendments added by the Senate were added for good reason and should not be eliminated. The motion to adopt the House language for H.F. 2085 was approved. Sen. Thomas Bakk (DFL-Cook) offered an amendment changing a forgivable loan program for distressed hospitals to a grant program. The amendment was adopted and the bill granted final passage.

A bill ratifying state employee contracts also gained final passage. S.F. 1866, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), approves six collective bargaining unit plans and three compensation plans. Scheid said the bill must be passed or the agreements would be void. The contracts and plans provide for no general, across-the-board salary increases, Scheid said. Employees who are not at the top of their salary scales will receive step increases of between two and three percent, under the bill.

Hottinger offered an amendment to adopt language included as a result of legislative negotiations in the last contract. The amendment grants sick and bereavement leave to employees for absences due to the illness or disability of a regular member of the employee's immediate household or due to the death of a regular member of the employee's immediate household. Sen. Mady Reiter (R-Shoreview) said the provision had not been part of the negotiated agreement. She argued that many of the terms were not defined in the amendment. Scheid said, "It is with a heavy heart that I must oppose the amendment. Maybe someday the Legislature will catch up to the rest of the world, but the agreement must be ratified as it is because the contracts were negotiated in good faith." Dibble said the provision had been approved in the previous contract and it was a mystery as to why it was removed in the current contract. "This just lets employees in the most extreme circumstances care for their families," Dibble said. Reiter argued that the amendment opens up other issues, including the fact that the department does not know the fiscal implications. The amendment failed on a 24-40 roll call

vote. The bill was granted final passage 63-0.

H.F. 2363, carried by Sen. Wesley Skoglund (DFL-Mpls.), modifies provisions for the control of invasive and nonnative species such as zebra mussels and Eurasian water milfoil. The bill also provides criminal penalties and requires rulemaking. Marty offered an amendment, recommended by the Dept. of Natural Resources, prohibiting the use of nets and traps that have been used in infested waters from being used in noninfested waters and changing the number of hours for milfoil inspection. The amendment was adopted and the bill granted final passage.

Scheid also sponsored a bill relating to the Minnesota Comprehensive Health Association (MCHA). S.F. 2138 requires information that an individual may be eligible to obtain coverage from MCHA be provided to persons whose continuation health coverage is about to expire. S.F. 2112, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes an exception to the prohibition on asset transfers for some charitable gifts. H.F. 2027, carried by Sparks, provides an exemption to the nursing home moratorium for a facility in Austin. S.F. 2292, carried by Sen. John Marty (DFL-Roseville), conforms disclaimer requirements for campaign material to constitutional limitations. H.F. 2383, carried by Sen. Tom Saxhaug (DFL-Grand Rapids), is the Dept. of Natural Resources forestry bill. H.F. 2378, sponsored by Sen. Scott Dibble (DFL-Mpls.), allows cities to impose special assessments on properties to recover costs under the Tenant Remedy Act. All six measures were granted final passage.

Two measures were granted concurrence and repassage. S.F. 1080, offered by Sen. Rod Skoe (DFL-Clearbrook) updates and corrects language relating to Veterans Homes. Skoe said amendments added by the other body were approved by the Veterans Homes Board and urged members to concur with the changes. S.F. 1639, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), provides for the removal and disposal of unauthorized vehicles from vehicle service and repair shop property.

H.F. 2986, sponsored by Sen. Thomas Bakk (DFL-Cook), was granted final passage under a suspension of rules. The bill grants temporary exemptions from

environmental review for an iron nugget production scale demonstration facility. Bakk said the facility uses a new technology to provide for added value iron production. He said that another state with a shorter time frame for environmental review wants to build the facility, thus the facility would slip away from Minnesota. After negotiations with the governor and the manufacturer, the decision was made to move the facility away from the North Shore to the site of the old LTV plant and modify the permits from the LTV site. Bakk said the proposal is a win-win situation for Northern Minnesota.

The conference committee report on S.F. 2181 was adopted and the bill repassed. The measure, sponsored by Sen. Ann Rest (DFL-New Hope), makes changes in provisions relating to the director of the State Lottery. The bill provides for the appointment of the director and makes the director accountable to the governor. The other body made changes to the membership of a task force.

## **Water quality rules to proceed**

Several measures were considered by Senators during the Thurs., May 13, floor session. The bills considered were designated Special Orders, providing them an expedited legislative process. Among them was H.F. 2040, carried by Sen. Dallas Sams (DFL-Staples), creating a certification program for new wastewater treatment technology. An amendment prohibiting the Pollution Control Agency from adopting proposed rules sparked considerable discussion.

The amendment, offered by Sen. David Senjem (R-Rochester), prohibits the PCA from adopting rules prescribing a total phosphorus effluent limit or requiring more stringent limits for phosphorus in water quality permits. The proposed rules, Senjem said, take away agency flexibility. Sen. Dennis Frederickson (R-New Ulm) challenged the germaneness of the amendment, saying the bill deals with residential sewage treatment, while the amendment focuses on community sewage treatment. The amendment was ruled germane.

Sen. John Marty (DFL-Roseville) said the proposed rules represent great strides in addressing problems caused by phosphorus. The Legislature has taken symbolic steps, he said, but the proposed rules will really address the issue. Sen.



# Floor update

Michael Jungbauer (R-East Bethel) also spoke against the amendment, saying the attempt to block the new rules is really an attempt to usurp the federal Clean Water Act. Courts have declared the PCA in violation of federal law, he said, and the new rules are necessary to bring the state into compliance. Sen. Thomas Bakk (DFL-Clearbrook) said the amendment does not mean the state will not change its rules. Legislators need to be able to review the proposed change and see how it will affect communities, he said, before we act. Sen. Dave Kleis (R-St. Cloud) said elected officials, not appointed administrators or bureaucrats, should be making the sorts of major decisions proposed by the rules. The amendment was defeated, 30-35. H.F. 2040 was granted final passage, 64-0.

Sen. Steve Murphy (DFL-Red Wing) sponsored S.F. 2429, requiring employers to provide 90 days advance notice to employees if the employer intends to terminate the employees due to the shifting of job duties out of the country. Kleis said the measure has not received a hearing in the other body. We have not resolved the major issues of the session, he said, but are using up our time on bills that are not going anywhere. The measure gained final passage, 42-19.

Nine other bills were granted final passage during the morning part of the session. S.F. 653, authored by Sams, requires new multi-line telephone systems to provide call back numbers and emergency response locations for caller location purposes. H.F. 2671, carried by Sen. Mark Ourada (R-Buffalo), makes technical corrections to motor carrier regulations. H.F. 2288, sponsored by Sen. Wesley Skoglund (DFL-Mpls.), expands debtor disclosure requirements in conciliation court. Sen. Geoff Michel (R-Edina) carried H.F. 2139, modifying title insurance company premium reserve requirements. H.F. 2577, sponsored by Sen. Don Betzold (DFL-Fridley), is the annual revisor's bill. The measure corrects erroneous, ambiguous and omitted text and obsolete references and eliminates certain redundant, conflicting and superseded provisions.

Sen. Julie Rosen (R-Fairmont) carried H.F. 1838, which authorizes registered motor carriers of passengers to operate articulated buses exceeding length limits. S.F. 1836, authored by Sen. David Knutson (R-Burnsville), is the Secretary

of State's Office business services bill. The measure reduces certain filing fees, eliminates statewide auctioneer registration and leaves in place county auctioneer registration, moves notary public registration to the office from the Department of Commerce and eliminates certain duplicative bond filing requirements. Sen. Mady Reiter (R-Shoreview) carried a bill, H.F. 2217, requiring motor vehicles and motor vehicle carriers to wait at railroad crossings for roadways to clear. H.F. 2391, sponsored by Sen. Sheila Kiscaden (IP-Rochester), expands the authority to dispense controlled substances to include practitioners licensed by the state of prescription issuance. The bill also requires the health-related licensing boards to work with the University of Minnesota to develop a proposal for a competency-based education and assessment program for professionals authorized to prescribe, dispense or administer legend drugs.

## HAVA bill passed

Members returned after a midday recess to continue discussing bills on Special Orders. The first item for consideration, H.F. 1006, conforms Minnesota's election laws to the federal Help America Vote Act. Sen. Linda Higgins (DFL-Mpls.), chief author, said the bill is primarily designed to bring Minnesota law in line with the federal law by changing some registration procedures, requiring better access for disabled voters and outlining the duties of the secretary of state. "The bill does not contain provisions that require electronic voting only," Higgins said. She said Minnesota will continue to have a paper trail of ballots to confirm votes.

Sen. John Marty (DFL-Roseville) offered an amendment altering some of the requirements for a statewide voter registration system and providing a voters' bill of rights. Sen. Warren Limmer (R-Maple Grove) questioned why the amendment requires the Dept. of Public Safety to maintain a database of Social Security numbers for election registration. Marty said he, too, was concerned about the use of Social Security numbers, but it is a requirement of the federal government. Members also discussed other provisions of the amendment before adopting the provision on a 55-7 roll call vote. The bill was passed on a vote of 54-10.

Members also debated H.F. 2151, the omnibus telecommunications regulation bill. Chief Author Steve Kelley (DFL-Hopkins) offered an amendment at the outset to remove some of the controversy from the bill. The amendment deletes a study about access charges, deletes a provision about third party billing, deletes language relating to service standards, adds notice provisions to a section about directory assistance and adds consumer protections relating to wireless communication. The amendment was adopted.

Kelley said the technology in telecommunications is happening quickly and we need to change our regulations accordingly. In addition, Kelley said, the bill also provides for more competition in the marketplace. The bill is an important step forward for providers and consumers, Kelley said.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment making technical changes to cable franchise law. She said the amendment doesn't contain any substantive changes, but makes technical changes updating language first enacted in 1972. The amendment was adopted. Sen. David Gaither (R-Plymouth) spoke in support of the measure. He said the cooperation of all the affected parties enabled compromises that made the bill better. Sen. Thomas Bakk (DFL-Cook) offered an amendment deleting provisions relating to additional cable franchises. Kelley opposed the amendment. He said the only way we can have competition in video is to give cities some flexibility to allow new competitors into the marketplace. The amendment failed on a 22-42 roll call vote. The bill was given final passage 65-0.

Several additional bills were granted final passage on Special Orders. S.F. 2313, authored by Sen. Dennis Frederickson (R-New Ulm), raises the revenue bond limit for the Minnesota Public Facilities Authority from \$1 billion to \$1.25 billion and provides for interest rate swaps and other agreements. H.F. 2246, sponsored by Sen. Dallas Sams (DFL-Staples), modifies the nursing facility survey process and establishes a quality improvement program. H.F. 532, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), modifies provisions governing the use of highway right-of-way by snowmobiles. H.F. 2078, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), clarifies railroad grade crossing require-

ments and clarifies crimes involving public transit. Sen. Wesley Skoglund (DFL-Mpls.) offered, and members adopted, an amendment regulating light rail transit warning signals.

A bill clarifying the basis on which food can be labeled as kosher was also granted final passage. H.F. 2864, sponsored by Sen. Richard Cohen (DFL-St. Paul), replaces the words “orthodox Hebrew” with the word “Jewish” in the statutes relating to the processing and preparation of kosher food.

### **Care contracting regulations ok’d**

Members concluded the Thurs., May 13, session, by granting final passage to H.F. 606. The measure, carried by Sen. Dallas Sams (DFL-Staples), was considered under a suspension of the rules.

The bill governs contracts between health care plans and health care providers. Sams said the parties have resolved

their differences and agreed to the language before the Senate. Many of the provisions contained in the bill are already being put into action, he said, because the negotiations improved the relationships between plans and providers. The parties intend to move forward with an eye toward not using legislation to resolve future differences.

Sen. Thomas Bakk (DFL-Cook) offered an amendment prohibiting plans from building the costs of complying with the bill into premium rates charged to individuals or businesses. The amendment permits plans to reduce provider reimbursement rates to cover the compliance costs. Sams said the amendment is a deal breaker. There is no way to determine if any costs are associated with compliance, he said. There is no proof that the bill increases or decreases the costs of care, Sams said. The amendment was defeated.

The final moments of the session focused on a series of procedural motions. Sen. Michele Bachmann (R-Stillwater) moved to withdraw H.F. 2978 from the Judiciary Committee and place the bill on General Orders. The measure, which she carries, proposes a constitutional amendment defining marriage as the union of one man and one woman. Sen. Dave Kleis (R-St. Cloud) inquired how many votes were needed to approve the motion. He said the Rule 5.1, which governs Bachmann’s motion, sets two thresholds, depending on whether deadlines for committee action have passed. Before the deadline, approval requires 34 votes, while 41 votes are required after the deadline has passed, under the rule. Kleis said no committee deadlines were ever set. A letter from the majority leader set unofficial deadlines, he said. Sen. Thomas Neuville (R-Northfield) noted that Joint Rule 2.03 requires committee deadlines to



*Sen. Dan Sparks (DFL-Austin) consults with his mother, Faye Sparks, longtime Senate employee and currently Leadership Assistant to the President of the Senate, about the agenda for the day.*

Photo by David J. Oakes



# Floor update



**Majority Leader Dean Johnson (DFL-Willmar), center, is mobbed by members of the press in his office late Thurs., May 13, as they seek his response to the Governor's latest budget balancing proposal.**

Photo by Nick Thompson

be set by concurrent resolution. Since no concurrent resolution on deadlines has been adopted, he said, no deadlines exist. Subsequent to the letter setting deadlines, said Sen. Steve Kelley (DFL-Hopkins), bills that did not meet the deadlines have been sent to the Rules and Administration Committee as a matter of routine. The Senate has consistently acted as though the rule was in force, he said.

Sen. Steve Murphy (DFL-Red Wing), presiding officer, ruled that the motion required 41 votes. Murphy said the ruling was based on the fact that the Senate has acted as though the joint rule and the deadlines were in effect. Kleis challenged the ruling. Neuville said he was not aware that because the body had failed to object on a previous occasion to the breaking of a rule, members were prevented from objecting to its misuse or breaking. We often fail to object to questionably germane amendments or to questionable bill referrals, Kleis said, but the action does not void the rules allowing us to object. Our failure to object on the first day of the misapplication of Joint Rule 2.03, he said, would not deprive us of our right to object on the second day.

Mason's Manual of Legislative Procedure establishes the order of prece-

dence of procedural rules, said Sen. John Hottinger (DFL-St. Peter), and places fundamental legal principles above adopted rules. The legal principle of estoppel prevents a member from lying in the weeds, allowing a procedure to continue as proper and then later claim that the procedure is improper, Hottinger said. The deadline letter was sent more than two months ago, he said, and committee meetings and floor sessions have all transpired as though the deadlines were official. Sen. Julianne Ortman (R-Chanhassen) replied that Mason's Manual declares the objective of procedural rules to be ensuring that the will of the majority may be determined in an orderly manner, not to obstruct the body's wishes. Bachmann said the communication on deadlines clearly uses the words "informal" and "unofficial" regarding the deadlines. There is no evidence that we have met the joint rule, she said. The ruling was upheld on a 36-31 roll call vote. No further action on H.F. 2978 was taken before the Senate adjourned.

## Exotic animal bill passed

The Fri., May 14, floor session began with members granting concurrence and

repassage to a bill relating to vehicle forfeiture. S.F. 388, sponsored by Sen. Leo Foley (DFL-Coon Rapids), clarifies the standards and procedures for vehicle forfeiture associated with driving while impaired. The measure was repassed on a 62-0 roll call vote. S.F. 2869, authored by Sen. Sheila Kiscaden (IP-Rochester), was also granted concurrence and repassage. The bill modifies fees for radioactive and nuclear material and approves a state agreement with the Nuclear Regulatory Commission. The bill was also repassed on a unanimous vote.

Members also adopted the conference committee report on S.F. 1530. The bill, sponsored by Sen. Don Betzold (DFL-Fridley), imposes limits on the ownership and possession of dangerous animals such as lions, tigers and bears. Betzold said the final version of measure is very close to the Senate bill. The bill is a plan to start phasing out the industry, but does not put anyone out of business, he said. The report was adopted and repassed 48-14.

Two measures on Special Orders were considered before the Senate recessed to the call of the chair. S.F. 2114, sponsored by Sen. Steve Kelley (DFL-Hopkins), allows local units of government to have

closed meetings to negotiate property sales and purchases. The measure was granted final passage on a unanimous vote. H.F. 2050, also carried by Kelley, requires foreign medical school graduates to use a credentials verification service and provides for a fee. The bill was laid on the table to allow time for Kelley to discuss a possible amendment with another member.

After a day-long recess, Senators reassembled in the evening to accept messages from the other body, appoint conference committees and grant concurrence and repassage to one bill.

Some discussion did occur over the appointment of three conferees for H.F. 1006, which implements the federal Help America Vote Act in Minnesota elections. Majority Leader Dean Johnson (DFL-Willmar) had moved to adopt the subcommittee report appointing three Senators—Linda Higgins (DFL-Mpls.), Warren Limmer (R-Maple Grove) and John Marty (DFL-Roseville). Sen. Dave Kleis (R-St. Cloud) opposed the motion, noting that tradition dictates a member voting for the bill be appointed to the conference committee over a member voting against the bill. Limmer, he said, had voted against the bill. Johnson said the chief author, Higgins, had requested Limmer for the conference committee and the chief author's wishes are accommodated. However, Johnson said he would move to replace Limmer with Kleis in order to move the process along. Higgins said that both Kleis and Limmer are valued members of the Elections Committee. Limmer, she said, indicated his support for the bill, except for one provision, regarding the use of Social Security numbers. Higgins said she would work with either Senator. The characterization of my vote is correct, Limmer said, and I felt so strongly about the Social Security provision that I voted against the bill. The motion to replace Limmer with Kleis was defeated. The original motion to approve conferees was approved.

Members concurred with amendments made in the other body to S.F. 2696, the omnibus liquor bill. Sen. Sandra Pappas (DFL-St. Paul), chief author, said the other body accepted all of the Senate provisions except for an expansion in the hours of alcohol availability. Sen. Mark Ourada (R-Buffalo), who sponsored legislation expanding the hours, said he hoped the Senate would work harder next

year to adhere to its position on the issue. S.F. 2696 was repassed, 57-3.

The final action for the day was on a motion by Kleis to take H.F. 1961 from the table. The bill, carried by Foley, expands the crime of first-degree murder. Senate President James Metzen (DFL-South St. Paul) noted that tradition dictates the chief author is the only one who can move to take a bill from the table. Kleis noted that Johnson had moved to table a bill carried by Sen. Jim Vickerman (DFL-Tracy) two days earlier. Johnson said members should respect authors' wishes regarding their legislation. The tradition protects everyone, on all sides of the aisle. Minority Leader Dick Day (R-Owatonna) said he agreed with Johnson. What the majority leader did before was to help the author along through the process, Day said, not override his wishes. Metzen ruled the motion to take the bill from the table out of order.

### **Data practices bill approved**

Senators met Sat., May 15, to consider several bills. S.F. 2561, carried by Sen. Don Betzold (DFL-Fridley), is the Department of Public Safety CriMNet data classification and access bill. Sen. Julianne Ortman (R-Chanhassen) spoke in support of the measure, saying it helps the entire criminal justice system function. Information needs to be shared across jurisdictions and departments, she said, but data privacy should be respected. Information shared should be accurate and properly disseminated, she said. The bill strikes the right balance, Ortman said. The measure was granted final passage, 63-0. Betzold then moved to lay the bill on the table, so that its contents could be offered as an amendment to the data practices bill.

Sen. Wesley Skoglund (DFL-Mpls.) sponsored the data practices bill, H.F. 2087. Members adopted two amendments offered by Betzold. One inserts the language from S.F. 2561 into the measure. The other amendment allows the public to know that a local unit of government is party to a lawsuit, even if the lawsuit has not yet been filed.

A provision in the bill provides that a public employee is entitled to reinstatement and compensation for lost wages and benefits if any records relating to the employee are not retained for a period of at least three years after the employee's

involuntary termination. The provision is effective retroactively from Jan. 1, 2002. Sen. David Hann (R-Eden Prairie) moved to delete the provision. The wisdom of the provision should be reconsidered, he said, because the impacts and costs of the requirement are unclear. If only one percent of the over 300 employees terminated since 2002 have had any problems with their records, the costs associated are over \$600,000, Hann said. It is unwise for the state to assume an unknown and significant liability, he said. Skoglund said it is completely irresponsible for any employer, public or private, to lose or shred employee records. We would not give private employers a pass on that principle, he said, and we should not do so for the public sector. The amendment was not adopted, 29-34.

Sen. Warren Limmer (R-Maple Grove) offered an amendment repealing current law providing that patient consent does not apply to the release of information to the Minnesota Dept. of Health for the purposes of monitoring health care costs. The amendment was defeated, 25-39.

An amendment providing for a birth defects information system maintained by the commissioner of health was offered by Sen. Sheila Kiscaden (IP-Rochester). The proposal, Kiscaden said, was brought forward by the March of Dimes. Similar systems exist in 39 states, she said.

Limmer offered an amendment to the Kiscaden amendment specifying that informed, specific parental consent obtained on a separate form is required before the commissioner has access to medical record data or may place data in the birth defects registry system. Limmer said the amendment allows parents to have a little more control. Kiscaden responded that her amendment reflects an agreement between a number of stakeholders. She said, "The problem with using an opt-in approach is that the data is not complete, making the data useless." The amendment makes the public health purpose more difficult to accomplish, she said. The Limmer amendment to the amendment failed on a 29-36 roll call vote. Members then adopted the Kiscaden amendment on a 44-22 roll call vote.

Hann offered an amendment deleting the retroactive effective date for a provision relating to employer retention of employee records. Skoglund opposed the amendment and said the state should



# Floor update

not exempt itself from good employee records management. The amendment was defeated, 29-34.

The data privacy bill was granted final passage on a vote of 41-23.

S.F. 1907, sponsored by Sen. Linda Higgins (DFL-Mpls.), sets up an administrative remedy for violations of fair campaign practices in state and local elections. Under the bill, the Office of Administrative Hearings would hear the complaints, rather than the Campaign Finance and Public Disclosure Board. Higgins said the bill will speed up the resolution of complaints. Higgins offered an amendment specifying that \$65,000 from the campaign account be set aside for the Office of Administrative Hearings for purposes of resolving complaints. Sen. Dave Kleis (R-St. Cloud) questioned how the dollar amount was arrived upon. Higgins said, "It is a bit of a guess, but the chief administrative law judge was comfortable with the amount." The amendment was adopted. Sen. Dennis Frederickson (R-New Ulm) offered an amendment requiring allegations of campaign violations to be made by affidavit. "These are serious allegations and must be treated seriously," Frederickson said. The amendment was adopted. Kleis offered an amendment increasing the civil penalty for violations from \$3,000 to \$5,000. The amendment was also adopted. The bill was granted final passage, 58-2.

H.F. 2609, sponsored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), streamlining the affirmative action process, was also granted final passage.

H.F. 2000, sponsored by Sen. Michael Jungbauer (R-East Bethel), requires rules related to individual sewage treatment systems. H.F. 2737, also carried by Jungbauer, requires notice to the commissioner of transportation and public notice before the final closure of a municipal airport. Both measures were granted final passage. H.F. 2334, presented by Sen. Dennis Frederickson (R-New Ulm), is the omnibus public lands bill. Frederickson said the bill modifies provisions for the sale and disposition of surplus state lands, modifies state land management provisions, adds to and removes from state forests, state parks, state wildlife management areas and land use districts. The measure also authorizes the public and private sales and exchanges of state lands.

Sen. Thomas Bakk (DFL-Cook) offered an amendment containing a number of provisions relating to state parks. The amendment was adopted and the bill granted final passage.

Bakk also sponsored a bill, H.F. 2213, providing for the designation of enforcement personnel by order of the commissioner of natural resources and authorizes the enforcement personnel to issue citations. Skoglund offered, and members adopted, an amendment deleting a provision requiring four stroke engines for all snowmobiles. The bill was passed on a 61-0 vote.

Sen. Ellen Anderson (DFL-St. Paul) sponsored a bill, H.F. 2095, providing for a new law to regulate foreclosure reconveyances. Anderson said the measure is an effort to stem the practice of "equity stripping." Anderson offered an amendment defining terms, spelling out prohibited practices, providing remedies and setting penalties. She said the amendment incorporates much of the language from the bill in the other body and represents a compromise between interested parties. She said the amendment removes any references to licensure that were in the original Senate language, reduces the fair market value provision from 85 percent to 82 percent and sets a sunset date. The amendment was adopted and the bill granted final passage on a 52-8 roll call vote.

Members also adopted two conference committee reports. S.F. 2274, authored by Sen. Jim Vickerman (DFL-Tracy), provides limitations on municipal interim ordinances. S.F. 2177, sponsored by Higgins, clarifies the authority of municipalities' subdivision regulations and modifies the method for determining each municipality's affordable and life-cycle housing opportunities amount. Both reports were adopted and the bills repassed unanimously.

S.F. 1836, the Secretary of State's Office business services bill, was granted concurrence and repassage, 61-0. The measure was carried by Sen. David Knutson (R-Burnsville). Members also granted concurrence to S.F. 2265, sponsored by Sen. Dan Sparks (DFL-Austin). The measure clarifies the status of industrial loan and thrift companies. A provision relating to credit cards had been adopted in the Senate, but was rejected by the other body. The bill was repassed, 61-0. S.F. 2428, authored by Vickerman, the

omnibus agriculture policy bill, was also granted concurrence and repassage, 53-9.

## Appointments confirmed

Members turned next to consideration of gubernatorial appointments. The Senate recommended confirmation for Richard Aguilar, Thomas Egan, Song Lo Fawcett, Christopher Georgacas, Georgeanne Hilker, Margaret "Peggy" Leppik, Natalie Steffen and Russell Susag to the Metropolitan Council. Additionally, several additional Metropolitan Council appointments, Brian McDaniel, Tony Pistilli, Roger Scherer, Julius C. Smith, Mary Hill Smith and Lynette Wittsack, were also confirmed. The appointment of Peter Bell as chair of the Metropolitan Council was also approved on a 56-7 roll call vote.

The appointment of Joan Fabian as commission of the Dept. of Corrections was confirmed on a voice vote.

Several appointments relating to natural resources were also approved. Ann Glumac, John Kvasnicka, Nalani McCutcheon, Janet McMillan, James Nelson, David Hartwell and Catherine Thayer Nicholson were approved to the Environment and Natural Resources Trust Fund Citizen's Advisory Committee. In addition, the appointments of Jonathon Bloomberg, Susan McCarville, Paige Winebarger, Bruce Bomier and Mary Mellen to the Minnesota Environmental Quality Board were approved. Sheryl Corrigan was approved as commissioner of the Minnesota Pollution Control Agency. In addition, members approved the appointments of Brian Bensen, Jacqueline Duncanson and Dr. Dan Foley to the Minnesota Pollution Control Agency.

The appointment of Peggy Ingison as commissioner of finance was also approved on a voice vote.

Senators approved the appointments of 28 people to several education-related boards. The appointments of Kenneth LaCroix, Daniel Sullivan and Ann Zweber Werner to the Board of School Administrators were approved. For the Board of Teaching, Rosemary Crowe-Campos, Dee Grover-Thomas, Allen Hoffman, Renee Jesness and Richard Tschida, were approved. Penny Johnson, Mohammed Lawal, Jane McWilliams, Sonja Peterson and Dan Reigstad were confirmed for the Board of the Perpich Center for Arts Education. Gary Benson,

Kathryn Balstad Brewer, Christopher Nelson and Michael Ranum were approved for appointments to the Higher Education Facilities Authority. Eleven trustees for the Minnesota State Colleges and Universities system were approved: Wilfred Antell, Tyler Despins, Cheryl Dickson, Ivan Dusek, Clarence Hightower, Robert Hoffman, I. Vincent Ijioma, Lewis Moran, David Paskach, Anne Curme Shaw and Shaun Williams.

Jerome Deal was approved as chair of the Board of Water and Soil Resources. Senators approved the appointments of Michelle Beeman and Dennis Jensen to the Pollution Control Agency. Five cabinet-level commissioners, heading state agencies, were approved in the area of jobs, energy and community development: Scott Brener for the Dept. of Labor and Industry, Matt Kramer for the Dept. of Employment and Economic Development, Timothy E. Marx for the Housing Finance Agency, Sandra Layman for the

Iron Range Resources and Rehabilitation agency and James Cunningham, Jr., for the Bureau of Mediation Services. Betty Lou Berg was confirmed for a position on the Housing Finance Agency, as were A. Hilda Bettermann and Felicia J. Boyd for positions on the Campaign Finance and Public Disclosure Board. Three members of the Public Utilities Commission were approved: R. Marshall Johnson, LeRoy Koppendrayer and Kenneth A. Nickolai. Senators confirmed eight members of the Board of Invention: William Baker, Keith Dennehy, Daniel Ferber, Erick L. Lewis, Mary Mathews, Daniel Pauly, Milton A. Toratti and Andy Wells.

### **OHV restrictions approved**

H.F. 2212 was considered under a suspension of the rules. The bill, carried by Sen. John Marty (DFL-Roseville), is the Dept. of Natural Resources (DNR) technical bill. Discussion of the measure

centered on an amendment offered by Sen. Dennis Frederickson (R-New Ulm). The amendment provides that off-highway vehicle (OHV) riding is not allowed on trails signed for non-motorized use, uses existing wetland conservation law as a reference for exemptions from prohibitions on OHV use in wetlands and allows the DNR to grant 10-year permits to landowners whose only way of accessing their land is through state-owned land. Sen. LeRoy Stumpf (DFL-Thief River Falls) said a provision prohibiting OHV use that unnecessarily upsets the natural and ecological balance of a wetland or public waters wetland was unclear. He asked how the law would be interpreted. Marty said the state's conservation officers are known for exercising good judgment. If the Legislature disagrees with their judgment, he said, policymakers can revise the law next year. The approach in the amendment is carefully balanced, Marty said, to attempt to satisfy



*Senators Pat Pariseau (R-Farmington) and Brian LeClair (R-Woodbury) consult rules in the Legislative "Red Book" for direction during a recent debate.*

Photo by David J. Oakes



# Floor update

all sides. Frederickson moved to replace the term “unnecessarily” with the word “carelessly,” which is defined in statute. The amendment to the amendment was adopted.

Sen. Michelle Fischbach (R-Paynesville) moved to make the permission to grant permits for land access to a requirement. Fischbach said her concern arises from a specific case in her district. “We need to make it clear that these people should have access to their land,” she said. Frederickson opposed the amendment, saying the commissioner can exercise his discretion wisely. Sen. Sean Nienow (R-Cambridge) said the commissioner would retain discretion over the term of the permit. If there is a concern, the permit can be granted for a short period. The amendment to the amendment was not adopted on a divided voice vote.

The Frederickson amendment was adopted. H.F. 2212 was granted final passage, 61-2.

The members returned to consideration of bills on Special Orders and took up the omnibus veterans bill. H.F. 2166, sponsored by Sen. Jim Vickerman (DFL-Tracy), reserves a military family’s position under the child care assistance fund, prohibits potential employers from inquiring about National Guard or reserve status and transfers responsibility for the veterans training program and general responsibility for veterans educational benefits to the commissioner of veterans affairs. The bill also requires the payment of a salary differential to school district employees who have reported to active military duty and requires the commissioner of veterans affairs to provide information needed to implement a Global War on Terrorism bonus to veterans. Sen. Wesley Skoglund (DFL-Mpls.), offered an amendment clarifying the provision prohibiting discrimination against an individual on the basis of military experience or military status. The amendment was adopted. The bill gained final passage on a unanimous vote.

Vickerman offered an amendment that creates a state soldiers’ assistance fund, sets eligibility standards and provides the manner for disbursing the funds. The amendment was adopted. Sen. Gary Kubly (DFL-Granite Falls) offered an amendment to provide for the calculation of salary for school district employees

on active duty. The amendment was adopted.

Sen. Don Betzold (DFL-Fridley) made a series of motions relating to the exotic animal bill. Betzold explained that, although the Senate had passed the conference committee report the night before, the House refused to accept the report. The final motion was to reconvene the conference committee on the bill, S.F. 1530.

## Workers compensation changes for emergency responders okayed

Changes to the state’s workers compensation laws were approved as the Senate moved into the late-night hours, Sat., May 15. H.F. 2799, carried by Sen. Ellen Anderson (DFL-St. Paul), modifies provisions relating to the state dislocated worker program. Anderson offered an amendment containing two provisions recommended by the Workers Compensation Advisory Council.

The amendment requires any substantial factors used to rebut the presumption that a disease is occupational to be communicated to the employee when the employer or insurer denies liability. Also, an injury or disease resulting from a vaccine administered in response to a federal declaration addressing a health risk related to the employee’s employment is an employment-related injury or disease, under the amendment. Sen. Geoff Michel (R-Edina) spoke against the amendment. The workers compensation bill is always arrived at as the result of negotiations between business and labor, he said, and cherry-picking provisions is inappropriate. The provisions in the amendment are crucial for law enforcement and other first responders, said Sen. Mike McGinn (R-Eagan). Including them in the dislocated worker bill will do no harm to the workers compensation bill, he said. Michel challenged the amendment as not germane to the bill, but the amendment was ruled germane.

Sen. Mady Reiter (R-Shoreview) moved to divide the amendment, so that the provisions could be considered separately. The first section, relating to the presumptive status of an occupational disease, was adopted. Anderson said the second section, regarding vaccination, is necessary for those who are on the front

lines of responding to terrorist attacks and other health dangers. First responders, she said, have been required to be vaccinated because of their roles. If they have a negative reaction to a vaccine, the least we can do is declare their condition work-related. Sen. David Senjem (R-Rochester) moved to require the federal declaration to be related to a terrorist threat. McGinn said the issue is not just terrorism, but also the myriad other threats public safety workers face daily. The Senjem amendment to the amendment was defeated, and the second section of the Anderson amendment was adopted. H.F. 2799 was granted final passage, 54-1.

S.F. 2640, authored by Sen. Leo Foley (DFL-Coon Rapids), provides a procedure by which the head of a correctional facility may order an inmate to be tested for a blood borne pathogen. Foley said correctional employees are dealing with increasing levels of violence and danger. Sen. Dave Kleis (R-St. Cloud) offered an amendment providing for a sentence of life without the possibility of release for persons convicted of first-degree murder. The amendment was ruled not germane. The bill was granted final passage, 60-0.

Two other bills were also considered as Special Orders. H.F. 2258, carried by Sen. Dan Sparks (DFL-Austin), implements language from the National Association of Insurance Commissioners regarding risk-based capital for health insurers. S.F. 1546, sponsored by Sen. Don Betzold (DFL-Fridley), makes technical and grammatical corrections to legislation passed earlier in the session. Both measures were granted final passage.

The pensions bill, S.F. 676, was also carried by Betzold. The other body adopted only the recommendations from the Legislative Commission on Pensions and Retirement, he said, except for a study on volunteer firefighters, which was removed. Betzold said he was disappointed at the outcome, but that the late date in the legislative calendar at which the other body chose to consider the pensions bill left no time for a conference committee. Members approved a motion, made by Betzold, to concur with the amendments made by the other body. Sen. Cal Larson (R-Fergus Falls) said he was not pleased at either the final result or the process. Other Senate members were not consulted on the decision to concur, Larson said. Larson moved to reconsider the concurrence. The motion failed, 27-32. S.F. 676 was repassed, 35-26.



**Sen. Thomas Neuville (R-Northfield), left, and Minority Leader Dick Day (R-Owatonna) exchange ideas on the floor of the Senate.**

Photo by David J. Oakes

H.F. 2255, the claims bill, was considered under a suspension of the rules. The bill, carried by Sen. Wesley Skoglund (DFL-Mpls.), appropriates over \$130,000 to pay claims against the Departments of Natural Resources and Corrections. The measure includes payment of a claim for the destruction of drainage tile; last year, the governor vetoed the claims bill because it included payment for the claim. Skoglund offered an amendment designed to avoid another veto of the entire bill. The amendment was adopted and H.F. 2255 was granted final passage, 58-0.

Senators also adopted four conference committee reports. S.F. 1530 is the exotic animal bill. Betzold, chief author, said the new report is still very similar to both the Senate version of the measure and the first conference committee report. The effective date was delayed to Jan. 1, 2005, businesses may be transferred to other holders of USDA licenses and language regarding exhibitors was tightened, he said. Sen. Steve Dille (R-Dassel) said the

measure limits and shrinks the market for exotic animals. The bill is less problematic than earlier versions, he said, for persons in the business of raising exotic animals. S.F. 1530 was repassed, 44-10.

S.F. 2342, authored by Sen. Scott Dibble (DFL-Mpls.), makes optional the requirement for county recorders to accept security deposits to guarantee payment of charges. The other body added language regarding local fiscal impact statements for proposed rules, Dibble said. The conference committee agreed on a provision accomplishing the same goal, but requiring the consideration of local impacts to occur earlier in the rule-making process, he said. The bill, as amended by the conference committee, requires state agencies to consult with the commissioner of finance to evaluate the fiscal impact and fiscal benefits of proposed rules on local units of government. Another Dibble bill, S.F. 1790, deals with local government contracting flexibility, competitive bidding and the use of reverse auctions. H.F. 2151, carried by Sen. Steve

Kelley (DFL-Hopkins), modifies telecommunications regulations. All three bills were repassed.

### **Department of Human Services licensing, .08 limit bills passed**

After a late night recess, members returned to continue acting on conference committee reports, bills on Special Orders and the concurrence and repassage of Senate files.

The early morning portion of the floor session began with consideration of the conference committee report relating to the health licensing boards. Chief Author Sheila Kiscaden (IP-Rochester) said H.F. 2175 modifies requirements for various public health occupations. The report was adopted and the bill repassed. Members also adopted the conference committee report on H.F. 2207. The bill, sponsored by Kiscaden, clarifies that individuals may participate in pharmaceutical manufacturer's rebate programs. She said the bill also limits other kinds of



# Floor update

discounts that may be given to customers to assure brand loyalty. She said the conference committee brought about an improved bill through its deliberations.

The conference report on S.F. 58, authored by Sen. Leo Foley (DFL-Coon Rapids), was also adopted. The bill reduces from 0.10 to 0.08 the per se alcohol concentration level for impairment offenses involving driving a motor vehicle. Foley said the main difference between the House and Senate versions involved the effective date of the bill. The conference committee settled on Aug. 1, 2005, for the effective date, Foley said. The bill was repassed 47-13.

moved that the vote on H.F. 2166 be reconsidered. The bill, authored by Vickerman, is the omnibus veterans bill. Vickerman offered an amendment removing the penalty contained in the discrimination provision. Vickerman said the other body was not comfortable with the penalty language and that because of the lateness of the hour it was necessary to remove the language in order to insure final passage for the measure. The bill was amended and repassed on a vote of 62-0.

H.F. 2640 was granted final passage under a suspension of the rules. The bill, carried by Sen. Linda Scheid (DFL-Brooklyn Park), provides funding for the insurance fraud division in the Dept. of

Commerce. Scheid said the measure requires an assessment on insurers doing business in Minnesota to fund the division. The bill was granted final passage on a 60-0 roll call vote. H.F. 2762, authored by Kiscaden, containing numerous provisions relating to the Minnesota Comprehensive Health Association, was also granted final passage under suspension of the rules.

A bill, H.F. 2050, relating to graduates of foreign medical schools was also passed. The bill, sponsored by Sen. Steve Kelley (DFL-Hopkins), requires foreign medical school graduates to use a credentials verification service in order to obtain a license to practice in Minnesota and provides for a physician application fee.



*Senators Lawrence Pogemiller (DFL-Mpls.), left, and Don Betzold (DFL-Fridley) strategize in the Senate chamber.*

Photo by David J. Oakes

Sen. Richard Cohen (DFL-St. Paul) authored H.F. 2446. The bill authorizes principles, criteria and procedures for consolidating and eliminating funds and accounts within the Dept. of Finance. Members granted final passage to the measure as a Special Order. Cohen also sponsored H.F. 2867. The bill aligns appropriations for education and human services with the budget forecast. Members adopted an amendment, offered by Cohen, altering an incorrect appropriation and adding language from a bill relating to the Public Facilities Authority. The Public Facilities Authority portion of the amendment raises the revenue bonding authority from \$1 billion to \$1.25 billion and provides for interest rate swaps and other agreements. The bill was granted final passage on a 58-1 roll call vote.

S.F. 1859, sponsored by Sen. Dallas Sams (DFL-Staples), authorizes agency heads to contract with national purchasing organizations for the purchase of goods. The measure was granted final passage on a 51-6 roll call vote.

Sen. Wesley Skoglund (DFL-Mpls.) moved that the vote whereby H.F. 2087 was granted final passage be reconsidered. Skoglund said the bill, the omnibus data practices bill, needed to be amended. The motion was adopted. Sen. Julianne Ortman (R-Chanhassen) offered an amendment providing a process to request an advisory opinion if an individual believes an information management system is not operating in compliance with data privacy laws. The amendment also requires a criminal justice system implementation report. The amendment was adopted. The bill was then granted final passage for the second time on a vote of 50-8.

Sen. Don Betzold (DFL-Fridley) sponsored a resolution, S.R. 147, acknowledging the career of Don Gemberling. Gemberling has assisted the Legislature for 31 years with the intricacies of the Data Practices Act, Betzold said, and has been an invaluable help to the Legislature. The motion to adopt the resolution was approved.

## Education commissioner rejected

Senators used the predawn hours of the Sat., May 15, session, to take up seven remaining appointees. Four of the appointees were highly controversial and one, Education Commissioner Cheri

Pierson Yecke, was rejected by the Senate. Under Senate rules, the motion made on any appointment is to confirm, regardless of the recommendation of the committee with jurisdiction over the appointee. Senate committees recommended against consenting to three appointments: the commissioner of education, the commissioner of transportation and a member of the Metropolitan Council. Appointees must get a majority of votes to retain their position.

Only four members spoke on the Yecke appointment. Education Committee Chair Steve Kelley (DFL-Hopkins) said the governor has the power to appoint, but the Senate has the equivalent power to consent. He does not have a right to his appointees, Kelley said. He noted that the constitution does not provide the Senate with much advice on how to use its power. Our choice to consent is assigned to our sense of prudence, he said. Yecke's proponents have talked about her leadership, he said, and argued that the governor deserves someone who will follow his direction. "A commissioner does not just work for the governor," Kelley said. Commissioners must enact laws that are the considered judgment of Legislators and governors working together over many years, he said.

The committee observed that Minnesota has become divided since Yecke was appointed, Kelley said. Senators have seen the division in communication coming from communities, he said. The commissioner caused the division that we observe today, he said, through her words and actions. She tries to divide parents from teachers, Kelley said, and labels those critical of proposed social studies standards part of a hate-America fringe. Minnesotans are committed to closing the achievement gap, but Yecke is not the right person to lead the effort, Kelley said. Sen. LeRoy Stumpf (DFL-Thief River Falls) said the flow of information from the department has been stifled under this commissioner. To have a functioning process, you need free-flowing information.

Sen. Gen Olson (R-Minnetrista), ranking minority member on the Education Committee, said the battle that has engulfed Yecke started with the Profile of Learning. Opponents of the Profile were labeled as divisive, she said, and marginalized as long as the Profile

remained state policy. Once the Profile was repealed, Olson said, its supporters attacked the so-called divisiveness. Olson ran through, and responded to, a laundry list of complaints raised by Yecke's detractors. The commissioner is carrying out the federal No Child Left Behind Act, Olson said, and should continue to do so until the Legislature decides to cut the strings of federal funding. Yecke has used her connections at the federal department on our behalf, Olson said. Yecke is committed to public education, having worked her way up through the ranks from being a classroom teacher, Olson noted. The commissioner recognizes that our expectations are too low, Olson said, and wants public education to be the best it can be. "I would urge you to look at the bigger picture," she said. The commissioner has served us well and faithfully implemented our laws, said Sen. David Hann (R-Eden Prairie). There are differences in our state about the direction of public education, he said, but it is not fair to say that she caused the division. Each of us was not elected without opposition, Hann said, but we do not call ourselves divisive. That not everyone supports the commissioner does not make her divisive, either, he said.

The motion to confirm Yecke was defeated, 31-35.

Senators also considered the appointment of Cal Ludeman as a commissioner of employee relations. Sen. Scott Dibble (DFL-Mpls.) said there was significant agreement last year regarding sick and bereavement leave for state employees. The department was directed, after the deal was done, to remove the provisions under the cover of night, Dibble said. The commissioner dealt in bad faith with the Legislature, he said. He also noted that Ludeman unilaterally barred the Community Solutions Fund from participating in the state employee charitable campaign. This was a worthy organization that participated for years, Dibble said, and the decision smacks of pure politics. Ludeman was an outstanding Legislator and is an outstanding commissioner, said Sen. Cal Larson (R-Fergus Falls). His philosophy is in tune with most Minnesotans, Larson said. The Senate consented to the appointment, 51-14.

Annette Meeks was considered for a position on the Metropolitan Council. Meeks is not active in her community, said Sen. Linda Berglin (DFL-Mpls.),



# Floor update

whose Senate district is in Meeks' council district. She does not represent the views of most of the people who work on urban issues in our community, Berglin said. "We are really without a voice on the Metropolitan Council," she said. Berglin said Meeks is a poor choice to serve an inner-city, urban district. Dibble said that anyone serving on a body has a responsibility to uphold the body's mission. Seeking to undo the body on which you serve is disingenuous and a violation of the public trust, he said. By participating in a report advocating the abolition of the council, Dibble said, Meeks violated the trust of her fellow council members and the public. It feels like she sought her position in order to undermine the council, he said.

Sen. William Belanger (R-Bloomington) noted that the council member serving his district, Russell Susag, has publicly advocated abolishing the Met Council. Susag was approved without discussion just a few hours ago, Belanger said. Not to approve Meeks would be duplicitous of us, he said. Olson said Meeks did not seek the appointment, but was sought for the position. Meeks was on the staff of the task force that recommended the Legislature abolish the current structure of the Met Council, Olson said, but she did not advocate that recommendation. The report was not her work, but the work of the task force's many members, Olson said. Meeks was confirmed, 49-16.

The fourth controversial appointment was that of Lt. Gov. Carol Molnau as transportation commissioner. Sen. Steve Murphy (DFL-Red Wing), chair of the Transportation Policy and Budget Division, urged members to vote against confirmation. The commissioner has shown a serious disregard toward transit, he said, and raised several issues of concern. Murphy said Molnau relies too heavily on proposed tolls as a new revenue stream for transportation. Tolls are not the only answer, he said, but can be part of a badly-needed serious funding package. The funding package Molnau brought forward last year, he said, was like financing roads on a credit card. "Those chickens are going to come home to roost in 2007," Murphy said. He said the committee's objection to Molnau was not just inadequate funding, but also unequal distribution of the funds. Molnau has served with distinction, said Sen. Mark

Ourada (R-Buffero), from the local level to the Legislature to the governor's side. Everyone knows that she knows about transportation, he said. The disagreement is about beliefs, about how things should be done in Minnesota, Ourada said. This commissioner has done what we have demanded for years: put money into the state, he said. The governor and lieutenant governor are coming forward with serious proposals for future revenue, not just tolls, Ourada said. Molnau is strong, capable and qualified. The Senate consented to the appointment, 38-28.

Senators also confirmed Jim Bartholomew and Janet Schutz for positions on the Board of Teaching and Susan Heegaard as director of the Higher Education Services Office.

In other action, members granted concurrence and repassage to S.F. 653, authored by Sen. Dallas Sams (DFL-Staples). The bill requires owners and operators of new multi-station or private branch exchange multi-line telephone systems to provide call back numbers and emergency response locations for caller location purposes.

## Final bills passed

The members returned at dawn, in the final hours of the legislative day, to continue processing conference committee reports and granting concurrence and repassage to several measures.

The first item of business was the concurrence and repassage of S.F. 2141. The bill, sponsored by Sen. Steve Kelley (DFL-Hopkins), modifies the membership of the Commission on National and Community Service. In addition, members concurred with the House amendments to S.F. 1859 and repassed the bill. The measure, sponsored by Sen. Dallas Sams (DFL-Staples), authorizes agency heads to contract with national purchasing organizations. S.F. 1787, sponsored by Sen. Dave Kleis (DFL-St. Cloud), authorizes local governments to allow direct deposit. Members concurred with the amendments by the other body and repassed the bill on a 62-2 roll call vote.

The conference committee report on H.F. 2609, authored by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), was adopted and repassed. The bill modifies affirmative action provisions relating to state employment. The conference committee report on H.F.

2334, authored by Sen. Tom Saxhaug (DFL-Grand Rapids) and presented by Sen. Dennis Frederickson (R-New Ulm), was also adopted and repassed. The measure, known as the omnibus DNR lands bill, provides for the sale and disposition of surplus state land, adds to and deletes from various state parks, forests and wildlife management areas and modifies state land management provisions.

One of the other major conference committee reports, on H.F. 2277, was also adopted and repassed. The measure, sponsored by Sen. Sheila Kiscaden (IP-Rochester), is the Dept. of Human Services licensing bill. When it became clear that an appropriations bill was not going to pass, the conference committee was authorized to include nonappropriation provisions contained in the health and human services section of the omnibus appropriations bill, Kiscaden said. The bill makes changes to licensing provisions, regulates child protection dispositions, clarifies a mental health case management provision, changes a provision under child welfare targeted case management and regulates child care, long-term care and health care. The bill was repassed on a 61-3 roll call vote. Senators also approved and repassed the conference committee report on S.F. 2263. The bill, carried by Sen. Julianne Ortman (R-Chanhassen), is a technical Dept. of Transportation housekeeping bill. The conference committee report on the omnibus data practices bill, H.F. 2087, was also adopted. Chief Author Wesley Skoglund (DFL-Mpls.) said all the controversial provisions were removed from the bill. The bill was repassed, 59-5.

Another major conference committee report was on H.F. 1006, sponsored by Sen. Linda Higgins (DFL-Mpls.). The bill provides for conformity with the federal Help America Vote Act, creates a complaint process and imposes a penalty. Higgins said the Senate prevailed on most of the provisions. In addition, Higgins said the conference committee report also includes language from a secretary of state housekeeping bill. Finally, Senators adopted the conference committee report on H.F. 1793. The bill, the omnibus education policy bill, was sponsored by Sen. Steve Kelley (DFL-Hopkins). The bill contains the social studies standards

and science standards as well as a number of other policy changes. The bill was passed on a 45-18 roll call vote.

Members also considered a bill on Special Orders. S.F. 2605, sponsored by Sen. Jane Ranum (DFL-Mpls.), allows for student mental health screening. Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment removing the language of the bill and substituting language from bills making technical changes to education finance provisions. Sen. Gen Olson (R-Minnetrista) objected to the amendments on the grounds of germaneness. Stumpf said the provisions of the amendment relate to education provisions in the original bill. However, Sen. Dave Kleis (R-St. Cloud) said the amendment relates to a substantially different purpose and pertains to a substantially different subject. The amendment was ruled not germane. Ranum moved to lay the bill on the table.

S.F. 1846, sponsored by Sen. Steve Dille (R-Dassel), was also designated a Special Order. The measure requires participation in a parent education program in contested custody cases. Dille offered, and members adopted, an amendment establishing a new program called the Minnesota Healthy Marriage and Responsible Fatherhood Initiative funded through a \$5 increase in the marriage license fee. The bill was granted final passage on a 61-0.

Senators turned to consideration of the closing resolutions. Members granted approval to resolutions notifying the House of Representatives and the governor that the Senate would soon adjourn. In addition, the body approved a resolution relating to the conduct of Senate business during the interim and relating to the delivery of bills to the governor after final adjournment. Finally, the Senate approved a resolution memorializing former Senators who have died during the last two years. Members held a moment of silence in memory of the Honorable Marv Hanson, the Honorable Rudolph Hanson, the Honorable Stanley Holmquist, the Honorable Patricia Kronebush, the Honorable Ed Novak and the Honorable Harold Schultz.

The motion to adjourn sine die was adopted on a 37-25 roll call vote over the objections of several members of the Minority Caucus.

## Committee Update

### Education

#### Appointments confirmed

The Education Committee met Tues., May 11, to consider several gubernatorial appointments. Members approved the appointment of Susan Heegaard as director of the Higher Education Service Office. The panel also okayed the appointments of Jim Bartholomew and Janet Shutz to the Board of Teaching. The recommendations of the committee will be forwarded to the full Senate for final confirmation.

### Elections

#### Appointments confirmed

The Elections Committee, chaired by Sen. Charles "Chuck" Wiger (DFL-North St. Paul), met briefly Thurs., May 14, to consider two gubernatorial appointments. Members approved the appointments of A. Hilda Betterman and Felicia Boyd to the Campaign Finance and Public Disclosure Board.

### Finance

#### Voting equipment bill advanced

The Finance Committee met Wed., May 12, to consider two bills relating to elections and a bill adjusting appropriations to the March budget forecast.

S.F. 1666, sponsored by Sen. Dan Sparks (DFL-Austin), provides an appropriation for purchasing voting equipment in accordance with the federal Help America Vote Act (HAVA). The measure appropriates \$26.4 million from the HAVA fund to the secretary of state for grants to counties to purchase electronic voting systems equipped for individuals with disabilities. Sparks said the bill is aimed at providing every voter an opportunity to vote in private without assistance. In addition, the measure appropriates \$11.6 million to purchase optical scan voting equipment. However, the bill requires that all voters be provided an opportunity to verify their votes, to change their votes or correct any error before their ballot is cast, produces a permanent paper record of the ballot. The measure also requires electronic voting

systems to accept and tabulate a marked optical scan ballot. The measure was advanced to the Senate floor.

Committee Chair Richard Cohen (DFL-St. Paul) authored a bill, S.F. 2732, making changes in education and human services appropriations to reflect the most current budget forecast. Cohen said the measure is a technical bill that contains no changes in policy.

Sen. LeRoy Stumpf (DFL-Thief River Falls) offered an amendment providing for the buy back of the shift of K-12 funding. The amendment specifies that when the reserve account reaches \$653 million and the cash flow account reaches \$350 million, any other monies will be used to buy back the shift. "Both the department and the governor recommend the amendment," Stumpf said. The amendment was adopted and the bill was sent to the full Senate.

The panel spent the balance of the hearing discussing a bill, S.F. 1907, creating an administrative remedy for violations of fair campaign practices in state and local elections. Sen. Linda Higgins (DFL-Mpls.) offered an amendment deleting provisions relating to expanding the membership of the Campaign Finance and Public Disclosure Board and shifting the administrative remedy from the board to the Office of Administrative Hearings. The amendment was adopted.

Most of the debate on the bill centered on a change that makes investigation into a violation by county attorneys permissive, rather than mandatory. Higgins said the Office of Administrative Hearings can provide a cheaper, more expedited process for investigating complaints. Members were concerned about the policy changes in the bill with the amendment and about the costs associated with the bill. The panel laid the measure over for further discussion.

#### Campaign violations remedy ok'd

The Finance Committee met Thurs., May 13, to finish work on a bill providing an administrative remedy for fair campaign practices violations. S.F. 1907, sponsored by Sen. Linda Higgins (DFL-Mpls.), specifies that a complaint alleging unfair campaign practices must be filed with the Office of Administrative Hearings. Members adopted an amendment clarifying concerns from a previous hearing and advanced the bill to the Senate floor.



# Committee update

The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), also adopted the division report from the Transportation Policy and Budget Division concerning the appointment of Lt. Governor Carol Molnau and sent the recommendation to the full Senate. Cohen explained that the motions were purely procedural in nature.

The panel reconvened after the floor session and advanced a technical Dept. of Finance bill. H.F. 2446, sponsored by Cohen, authorizes principles, criteria and procedures for consolidating and eliminating funds and accounts. In addition, the measure makes other technical and clarifying changes to provisions related to the budget process. The bill was sent to the Senate floor.

## Rules and Administration

### Constitutional amendment proposals advance to full Senate

The Rules and Administration Committee, chaired by Sen. Dean Johnson (DFL-Willmar), met briefly Fri., May 14, to take action on two bills proposing constitutional amendments and the session-end revisor's corrections bill.

The first constitutional amendment bill, S.F. 2305, proposes an amendment requiring the Legislature and the governor to guarantee the right to affordable health care for all Minnesota residents. Sen. Linda Berglin (DFL-Mpls.), chief author of the measure, offered an amendment combining the language of her original bill with the language of a bill authored by Sen. John Hottinger (DFL-St. Peter). Sen. Dick Day (R-Owatonna) questioned the cost of implementing the amendment's requirement if it is passed. Berglin responded that a universal health care system would cost no more than the current system, according to the report issued by the Durenberger Commission on Health Care. Sen. Thomas Neuville (R-Northfield) said, "If that is the case, why not just pass legislation instituting universal health care?" Berglin responded, "It would never pass without direction from the people." The measure advanced to the Senate floor.

The other constitutional amendment dedicates three-eighths of one percent of the sales tax to arts and environmental projects. S.F. 401, sponsored by Sen. Dallas Sams (DFL-Staples), goes on to

spell out the percentages of the receipts to be used for fish, wildlife, habitat, fish and wildlife tourism, parks, trails, zoos, lakes, rivers, streams and arts and humanities. Sen. Pat Pariseau (R-Farmington) offered an amendment eliminating the funding for arts, humanities, history and museums. Under the amendment, three-sixteenths of one percent of the sales tax receipts would be used for environmental purposes. The amendment specifies that 55 percent of the receipts be used to improve or protect the state's fish, wildlife, and habitat and 45 percent be deposited in the clean water fund for the state's water resources. Sen. Ann Rest (DFL-New Hope) asked about the more specific purposes spelled out in the original bill and questioned whether the amendment accomplished the same purpose. Sams opposed the amendment because it removed the arts and humanities from the proposal. The amendment failed on a 7-17 roll call vote. Pariseau offered another amendment specifying that the money dedicated by the bill must not be spent on any activities that diminish the rights of individuals to legally hunt, fish, or trap game, or the rights of firearms ownership. Sen. Sandra Pappas (DFL-St. Paul) spoke against the amendment and said the language may lead to conflicts among various projects. Sams also opposed the amendment. The amendment failed on a 9-15 roll call vote. The measure was advanced to the floor on a voice vote.

In other action, the panel also advanced the annual revisor's corrections bill. Sen. Don Betzold (DFL-Fridley), chief author, said the bill is traditionally among the last bills passed each year and contains technical corrections for legislation passed over the course of the session. The bill was approved and sent to the full Senate.

Members also advanced two bills to other committees. S.F. 2491, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides for a school district employees health insurance pool. The measure was re-referred to the Finance Committee. S.F. 2248, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), is the Homeowners Protection Act. The bill was re-referred to the Tax Committee.

### Closing resolutions processed

The Rules and Administration Committee met in the final hours of the 83rd Legislative Session to process closing

resolutions. The panel, chaired by Sen. Dean Johnson (DFL-Willmar), granted approval to resolutions notifying the House of Representatives and the governor that the Senate would soon adjourn. In addition, the panel approved a resolution relating to the conduct of Senate business during the interim and relating to the delivery of bills to the governor after final adjournment. Finally, the committee approved a resolution memorializing former Senators who have died during the last two years.

## Taxes

### Tax dedication proposal advances

A measure dedicating a portion of state sales tax revenue to environmental and artistic purposes gained the approval of members of the Tax Committee when members met Tues., May 11. S.F. 401 will next be heard in the Rules and Administration Committee.

The bill, authored by Sen. Dallas Sams (DFL-Staples), dedicates \$0.00375 of the current \$0.065 state sales tax collected on every \$1 of eligible sales to the two budget areas. Sams said the state's natural and artistic resources are central to the quality of life of Minnesota. He said the resources deserve stable, dedicated funding. The bill proposes an amendment to the Minnesota Constitution to dedicate the revenue.

Polk County Commissioner Warren Affeldt and Julie Bleyhl, AFSCME, both spoke against the bill, saying it creates a large budgetary hole. Affeldt said local officials in Greater Minnesota support the concept of dedicating revenue to the environment, but not at the cost of severely reducing funding for other priorities. Sen. Julianne Ortman (R-Chanhassen) said a fiscal analysis of the proposal indicates \$477 million will be diverted from other programs in FY 06-07, under the dedication. When that is added to the projected shortfall, she said, the Legislature will have to face a hole of over \$900 million. Such action is not fiscally responsible, Ortman said.

She offered two amendments reducing the dedication from \$0.00375 to \$0.0025 and \$0.00125, respectively. Both amendments were defeated. Another Ortman amendment removes the arts funding and redistributes the funds to environmental purposes. The amendment was also rejected.

An amendment simultaneously raising the sales tax by \$0.00375 to provide the dedicated funding was offered by Sen. John Marty (DFL-Roseville). People like the idea of getting something for free, he said, but nothing is truly free. It is more responsible to tell voters what tax dedication costs, Marty said, than to add to the state's budget problem. The amendment was not adopted, 4-8.

Sen. Warren Limmer (R-Maple Grove) offered an amendment proposing a second amendment to the state constitution. The proposal defines marriage as the union of one man and one woman. Sams spoke against the amendment, saying constitutional questions should be considered separately. Marty said the entire bill may be struck down by the courts if the amendment is adopted. Several unrelated amendments to the constitution, he said, are unlikely to pass the single subject test for legislation. Limmer said he was offering the language because the proposal has been procedurally blocked at every turn. "I really don't have much of a choice," he said, to get the proposal before the Senate in advance of the constitutional deadline to adjourn. The amendment was defeated, 5-7. S.F. 401 was advanced on an announced 7-5 divided voice vote.

In other action, committee members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered several gaming initiatives. Among the proposals are a state-sponsored casino at Canterbury Park racetrack (also referred to as a "racino"), a state-licensed privately operated casino in the Metro Area, video slots in bars, a harness racing facility with a card club in the northern Metro Area and a Metro Area casino for two Native American tribes located in the northern areas of the state. The vehicle for any gaming legislation is H.F. 646, carried by Sen. Dick Day (R-Owatonna). The bill contains the racino language; any other gaming proposals are to be offered as an amendment to the bill. No action was taken on the gaming proposals. The panel heard from interested parties, including gaming executives, local officials and representatives of tribal casinos. Consideration of the proposals extended into the Wed., May 12, committee meeting.

## New compacts to be considered

Members of the Tax Committee concluded their consideration of gambling

proposals, Thurs., May 13. The panel approved a plan providing for additional compacts with the state's Indian tribes, as well as other gaming changes.

Before approving the proposal, however, committee members took action on H.F. 646, carried by Sen. Dick Day (R-Owatonna). The bill authorizes casino operations at an existing horse racing facility. Day said Minnesotans understand the bill's proposal, also known as a "racino." The plan helps agriculture, horse breeders and the general fund, he said. A racino at Canterbury Park will not compete with any tribal gaming operation, except the nearby Mystic Lake Casino, Day said. He stressed the 1,400 jobs the plan creates and its anticipated almost \$150 million contribution to the general fund every biennium. A motion to advance H.F. 646 was defeated on a 5-7 roll call vote.

Sen. Debbie Johnson (R-Ham Lake) withdrew from consideration a proposed constitutional amendment authorizing a single privately-owned casino. The plan was supported by Caesar's Entertainment, which was considered by many to be the front-runner for placing a casino next to the Mall of America. A plan, put forward by Sen. David Tomassoni (DFL-Chisholm), to authorize slot machines in retail establishments, was defeated on a voice vote.

The additional compacts proposal was offered by Committee Chair Lawrence Pogemiller (DFL-Mpls.). The plan also acknowledges the natural growth in gaming, provides for a card club and simulcast operations at a planned harness-racing facility in the northern Metro Area, raises from 50 to 100 the limit on tables at the existing Canterbury Park card club, provides for a franchise fee for card clubs, authorizes a card club at Giants Ridge and requires a study of gambling taxation. The proposal limits the new compacts by prohibiting renegotiation of the existing compacts, requiring between 20 and 50 percent of adjusted gross revenues be remitted to the state, setting a 20-year life for the compacts and requiring at least 9 of the 11 tribal governments to approve the new compacts.

"This is a modest approach to try to accommodate some of the issues people have been talking about," Pogemiller said. He said that if the governor shows interest in the plan, the legislative process can be

expedited. "It is an attempt to maintain trust and respect and maybe move the ball forward," he said. Sen. Jim Vickerman (DFL-Tracy) committed to hear the proposal in the Agriculture, Veterans and Gaming Committee, which he chairs. Vickerman said he is willing to work with members and the governor on the plan. It might be a good compromise, he said.

Sen. Julianne Ortman (R-Chanhassen) moved to delete all of the bill's provisions, except the study of gambling taxes. The motion was defeated. Sen. Thomas Bakk (DFL-Cook) moved to delete the provision for a card club at Giants Ridge. A card club there targets a casino operated by a tribe that has been a good member of the Iron Range community, Bakk said. "I don't want a card club at Giants Ridge," he said. Tomassoni disagreed, saying card club style gaming does not occur in the area now. Gaming at Giants Ridge could bring new people to the area who would also use existing businesses, including the casino. Bakk said there may be visitors during the summer months, but the gamblers at the casino during the winter months are all locals. There is a limited amount of discretionary money in the community, he said, and adding another gambling outlet further divides the pie. The motion to remove the Giants Ridge card club was approved.

Committee members then approved a motion to amend the proposal onto S.F. 2304, a bill sponsored by Pogemiller. S.F. 2304 was advanced to the Agriculture, Veterans and Gaming Committee, 7-5.

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