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On the cover: Five-year-old Aiden Kennedy, left, and his 7-year-old brother, Riley, gaze up at the dome in the Capitol Rotunda during an April 7 visit. The brothers are guests of their uncle, Rep. Paul Thissen.

— Photo by: Andrew VonBank
Protecting public dollars
Lawmakers push for better financial controls at state agencies

By Nick Busse

At a time when lawmakers are pinching pennies to fill a $4.6 billion budget hole, the last thing they want to hear is that state funds are being stolen, misspent or otherwise squandered. But according to the state’s internal watchdogs, that’s exactly what’s been happening—over and over again.

Take the Department of Natural Resources, which inappropriately spent $300,000 on a private conference that included a golf tournament and fishing trip—or the Board of Barber and Cosmetologist Examiners, where $10,000 has gone missing, possibly due to employee fraud. Then there is the Department of Human Services, where a supervisor managed to defraud the state of more than $1 million over a five-year period before a bank teller finally got suspicious and tipped off authorities.

These recent examples represent some of the worst cases documented by the Office of the Legislative Auditor. But what worries legislators even more is a series of recent OLA reports revealing a pattern of inadequate financial oversight at state agencies nearly across the board, suggesting that the potential for future abuse of taxpayer dollars is even greater.

“The legislative auditor’s reports have been, I think, very damning in the last year about the state of internal controls and financial management across a great number of state agencies,” said Rep. Ryan Winkler (DFL-Golden Valley), who has worked extensively on the issue.

In theory, agencies are supposed to have policies and procedures in place that prevent state funds from being misspent. These accounting practices, known as “internal controls,” are designed to ensure that funds are spent appropriately and according to generally accepted accounting principles. For example, one commonly used internal control is to ensure that financial transactions are always handled by more than one person; this way, a single employee cannot commit an act of fraud without someone else noticing.

“It’s a kind of check-and-balance within an organization,” explained Legislative Auditor Jim Nobles, who said the state of internal controls in Minnesota state government is “in need of strengthening.”

Nobles and his staff have found that the problem of lax internal controls is a common theme at state agencies. He points to the DHS incident as a classic example; even though a single individual perpetrated the fraud, Nobles said the department as a whole bears responsibility because lack of oversight enabled it to happen.

“Clearly, it was a criminal act, but it was a criminal act that was allowed because of weak internal controls,” he said.

Fixing the problem

According to statute, Minnesota Management and Budget is the state’s lead agency on internal controls, meaning that it bears ultimate responsibility for the financial management policies used by the state. In the wake of so many negative legislative audits, many lawmakers want MMB to step up its oversight.

Winkler, who serves as vice chairman of the House State Government Finance Division, and Rep. Keith Downey (R-Edina), a former consultant at an accounting firm, have teamed up to push for a bipartisan solution to the state’s internal controls problem.

HF1781, the omnibus state government finance bill, contains language crafted by the pair that would strengthen internal control structures across state agencies using well-known private-sector accounting standards. Rep. Phyllis Kahn (DFL-Mpls) sponsors the bill, which awaits action by the House Finance Committee. A companion, SF1395, sponsored by Sen. Don Betzold (DFL-Fridley), awaits action by the Senate State Government Budget Division.

The Winkler and Downey proposal would ask MMB to take a more proactive role in promoting proper internal controls in state government. It would also expand the job duties of the Legislative Audit Commission, and establish an independent “financial controls council” that would review and make
recommendations on the state’s financial management practices.

“The idea is to be very clear in statute about what internal control policies (Minnesota Management and Budget) is required to establish,” Winkler told members of the division April 7. He added that the legislation provides “a lot more detail” than current statutes about what internal controls should encompass.

Downey said parts of the legislation are based on lessons learned from his experiences in the private sector, where he said best practices for accounting are already widely agreed on.

“I think we need to have a very intentionally designed internal audit, risk assessment and proactive approach to internal auditing that we don’t have today,” Downey said, adding that public sector organizations can learn much from the business world.

Winkler faults the Pawlenty administration for allowing staff reductions at MMB to weaken the state’s internal controls over the years.

“In the last eight years, the department of finance has lost 30 percent of its staff. As part of that total reduction, they have eliminated all auditor positions,” Winkler said, calling the reductions a sign that the administration hasn’t made a priority of taxpayer accountability.

Downey agrees that state agencies need to have a larger audit staff, but disagrees that the Pawlenty administration has let the state’s internal controls lapse. He points to a proposal in the governor’s budget to provide MMB with an additional $700,000 a year to expand its financial oversight activities. As outlined in the agency’s budget narrative, the proposal acknowledges that recent legislative audits “have identified a disparate set of weaknesses in agency financial controls,” and recommends “more robust training and support” for agency staff.

Nobles said he generally supports Winkler and Downey’s legislation, and has been in touch regularly with Winkler on the issue. Although he does not agree on the necessity of the “financial controls council” proposed, he said the overall effect would be to give OLA extra leverage to push for good internal controls in state government.

Moreover, Nobles said the mere fact that legislators are giving the issue so much attention this year is making his job easier by raising awareness of the issue.

“They have really been attentive to this issue this year, and I compliment them on that. And getting that backing from legislators… is very helpful to the work that the legislative auditor does,” he said.

Human Services Commissioner Cal Ludeman, left, and Finance Commissioner Tom Hanson testify before the Legislative Commission on Planning and Fiscal Policy April 2.

**Minnesota State Agencies**

| Administration | 651-201-2555 |
| Agriculture | 651-201-6550 |
| Commerce | 800-967-2474 |
| Corrections | 651-296-4026 |
| Education | 651-361-7200 |
| Employee Relations | 651-259-8367 |
| Employment and Economic Development | 651-295-7114 |
| Enterprise Technology | 651-296-8888 |
| Explore Minnesota Tourism | 651-215-9041 |
| Travel Info | 800-657-3535 |
| Finance | 651-201-8000 |
| Health | 651-201-5000 |
| Higher Education Services | 651-642-0567 |
| Housing Finance Agency | 651-296-7608 |
| Human Rights | 651-296-5663 |
| Human Services | 651-431-2000 |
| Iron Range Resources | 218-744-7400 |
| Labor and Industry | 651-284-5005 |
| Mediation Services | 651-649-5421 |
| Metropolitan Council | 651-602-1000 |
| Military Affairs | 651-268-8925 |
| Natural Resources | 651-296-6157 |
| Pollution Control Agency | 651-296-6300 |
| Public Safety | 800-657-3864 |
| General Information | 651-201-7000 |
| Alcohol and Gambling Enforcement Division | 651-201-7507 |
| Division of Homeland Security and Emergency Management | 651-201-7400 |
| Driver and Vehicle Services | 651-297-3608 |
| Driver’s License | 651-297-3298 |
| Driver & Public Vehicle Info | 651-296-6911 |
| Motor Vehicles | 651-297-2126 |
| State Duty Officer | 651-649-5451 |
| State Patrol | 651-201-7100 |
| Revenue | 800-422-0798 |
| General Information | 651-296-3403 |
| Income Tax Helpline | 651-296-4444/296-3781 |
| Sales and Use Tax Line | 651-296-6181 |
| Transportation | 651-296-3000 |
| Veterans Affairs | 651-296-2562 |
Editor’s note: The following Highlights are coverage of select bills heard in House committees and other House activities held April 9-16. Designations used in Highlight summaries: HF-House File; SF-Senate File; Ch-Chapter; and *-the bill version considered by the House or the bill language signed by the governor.

HIGHLIGHTS
APRIL 14 - 16, 2009

BONDING

Conferees begin their work
At their first gathering April 14, House and Senate conferees compared differences of their respective omnibus capital investment bills.

The bills, HF855, sponsored by Rep. Alice Hausman (DFL-St. Paul), and SF781, sponsored Sen. Keith Langseth (DFL-Glyndon), differ by $129.2 million, with the Senate funding more projects.

Langseth said that in an odd-numbered year, the bonding bill would not normally be this large, but because of current interest rates this would be a good time to bond and build.

Both bills contain money for asset perseveration for several things, including the University of Minnesota and Minnesota State Colleges and Universities system.

Major differences between the bills include:
• $41.4 million in the Senate bill for the Metropolitan Council versus $21 million from the House;
• $26 million in the Senate bill versus the House’s $12.7 million for flood mitigation grants;
• $24 million in the Senate bill for a new Bell Museum at the University of Minnesota versus zero in the House; and
• $20 million in the House bill for an expansion at Moose Lake for its sex offender program versus zero in the Senate.

The next meeting of the conference committee has not been scheduled.


BUDGET

House trims spending targets
The House Ways and Means Committee April 15 shaved approximately $22.3 million from the House spending target of $30.65 billion.

The target amendment reflects budget changes needed in transportation, taxes, energy, housing and public health.

A $14.8 million cut to the tax target reflects budget changes because of a new law conforming the state’s tax code to federal law.

“The cost to that bill occurs during fiscal year 2009 so the tax target for the 2010-2011 biennium is being lowered by that amount,” said Bill Marx, House chief fiscal analyst.

“Essentially means they will have to raise that much more money in fiscal ’10 and ’11.” He added that about $10 million has already been addressed in the federal conformity law.

A $7.56 million adjustment is being made to the omnibus transportation finance bill. This money will be spent during fiscal year 2009 to address a Greater Minnesota transit cash flow problem, said Rep. Loren Solberg (DFL-Grand Rapids), the committee chairman.

The cut also reflects changes to the energy finance bill target by $173,000.

EDUCATION

Early childhood bill gets nod
Rep. Nora Slawik (DFL-Maplewood) said that despite “the tough environment with our big budget deficit” — and with the help of federal stimulus funds — the omnibus early childhood finance bill addresses “three overarching goals” the division has maintained throughout the session: getting an early start on closing the achievement gap, improving

PHOTO BY TOM OLMSCHEID

Bell Museum of Natural History Director Susan Weller, top, along with Gretchen Kreuter, center, and Lin Nelson Mayson wear moose antlers as they talk April 14 before the first meeting of the Capital Investment Finance Conference Committee. The House proposal does not include funding for a new museum, but the Senate bonding proposal does fund the project.

PHOTO BY ANDREW VONBANK

Joy Massard, a family child care provider from Shakopee, testifies April 14 before the House Early Childhood Finance and Policy Division to voice concerns about provisions contained in the omnibus early childhood finance bill.
child care quality and readying children for kindergarten.

Republican members of the House Early Childhood Finance and Policy Division largely support those policy goals but want to limit new spending. Rep. Mark Buesgens (R-Jordan) unsuccessfully offered amendments to strike the proposed $5 million expansion of a statewide quality rating system based on the current Parent Aware pilot project, and to remove the provision to create an Office of Early Learning.

Approved by the division April 14 and the House Finance Committee the next day, HF2088, sponsored by Slawik, awaits action by the House Taxes Committee.

The bill features no cuts to spending targets but proposes larger accounting shifts for some programs. It would cost $435 million in fiscal years 2010 and 2011, including $262.8 million for Human Services Department programs, including Minnesota Family Investment Plan child care and economic assistance grants and the basic sliding fee Child Care Assistance Program for low-income working families. The Education Department would receive $192.2 million for its programs, including adult basic education, Head Start, after-school program grants and school readiness services that prepare at-risk children for kindergarten. It excludes a pre-kindergarten education allowance program that some lawmakers aren’t convinced produces the desired results.

About $6 million in federal stimulus funds would be used to improve child care quality, and another $20 million would increase child care provider reimbursement rates for MFIP and CCAP providers and help reduce the waiting list for basic sliding fee subsidies. The governor proposes to reduce both programs and keep provider reimbursement at current rates.

Other key provisions would:
- establish an Office of Early Learning to coordinate a high-quality early childhood system, including programs administered by the departments of Human Services and Education, and to create a statewide inventory of child services;
- create a statewide quality rating system based on the pilot Parent Aware voluntary rating system and help child care providers get ready to meet quality expectations if they wish to apply for inclusion in the rating system;
- transfer $1 million of the unspent balance from federal funding for basic sliding fee program to the Education Department to fund Words Work, a literacy teacher training program and another $1 million for after-school program grants; and
- increase by 2 percent the state’s reimbursement rate to child care providers who accept the basic sliding fee or MFIP subsidies and significantly reduce the waiting list of those eligible for sliding fee subsidies, while limiting retroactive eligibility.

While acknowledging that it’s late to bring new policy ideas forward, Rep. Keith Downey (R-Edina) unsuccessfully proposed to expand a little-used program that, in effect, allows certain low-income parents to use their child care subsidy to pay themselves to stay home with an infant in lieu of paying an outside caregiver. He proposed to include children up to age 5.

Rep. Carolyn Laine (DFL-Columbia Heights) likened the idea to “a European model” of supporting parental care of young children through state subsidies, but suggested the details need to be more fully worked out in a future session.

— K. BERGGREN

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

PHOTO BY ANDREW VONBANK

Paper flies from the racks April 14 when lobbyists reach for sections of the House omnibus housing and public health finance bill.
Omnibus K-12 finance bill OK’d

House K-12 Education Finance Division Chairwoman Mindy Greiling (DFL-Roseville) began the session proposing to stabilize and simplify education funding according to a scalable plan that would eventually equalize state aid to districts across the state and eliminate property tax levies from the funding formula.

The omnibus K-12 education finance bill approved by the division April 15 contains her original plan but makes it effective not next year, but in fiscal year 2014, when the state’s budget will presumably be in better shape, Greiling said. She called the amended version of HF2 a “Spartan bill” that represents “quite an accomplishment” given the enormous deficit made worse by factoring in the effects of inflation.

Although Greiling indicated her distaste for accounting shifts, the bill conforms to House DFL targets by lowering the aid payment shift from 90 percent to 73 percent beginning in fiscal year 2010. However, it would authorize an advance payment shift of 90 percent for school districts in statutory operating debt. It would also reestablish a levy recognition shift at 49.1 percent effective in 2010.

The shifts would bring the education General Fund spending to the targeted $11.6 billion for the biennium. Without them, but including $275.6 million in federal stabilization funding, the cost would be $13.66 billion.

Rep. Pat Garofalo (R-Farmington) does not support the shifts and is disappointed the proposal cuts education funding by $506,000 more than the governor’s education proposal; fails to fund any of his initiatives, such as alternative teacher training plans; doesn’t eliminate a “wasteful” integration revenue program; and sets up expectations for future reform without specifying how to pay for it.

He wondered why education advocates who decried 80 percent shifts in 2003 aren’t opposing the current, harsher shifts.

Rep. Paul Marquart (DFL-Dilworth) suggested that they realize how serious the situation is now and that despite cuts elsewhere “when you can hold 40 percent of the budget harmless in education, it’s showing that education is our top priority. I think this is a bill that makes tough decisions in tough economic and budget times.”

The proposed funding formula changes would eliminate property tax levies to make education completely state aid funded; create new declining enrollment and location equity components of general revenue formula; fully fund the state’s portion of special education spending; remove the concentration factor from some spending categories, such as compensatory and Limited English Proficiency revenue; and increase basic per pupil revenue from $5,124 to $7,500. None would take effect for four years.

Rep. Will Morgan (DFL-Burnsville) successfully offered an amendment to strike an alternative teacher licensure path that would have created a fast track to licensure for some candidates, such as Teach for America volunteers. Rep. Bob Dettmer (R-Forest Lake) won approval for his amendment to adjust how school districts pay the difference between the base active duty military pay and a teacher’s pay to lessen financial consequences for teachers in the National Guard or armed forces reserve members who are called to duty.

Garofalo unsuccessfully offered an amendment to remove the provision allowing schools to start before Labor Day, and successfully offered one calling for an early graduation incentives program working group.

The House Finance and Ways and Means committees are scheduled to hear the bill April 17.

— K. BERGGREN

Teacher background checks detailed

The House approved a bill that would allow the Board of Teaching to disclose to school boards and administrators whether a prospective teacher has a disciplinary record that includes sexual misconduct. Currently, that information is not disclosed because of privacy laws.

HF523, sponsored by Rep. Karla Bigham (DFL-Cottage Grove), was passed as amended April 16 by a 127-1 vote. It now goes to the Senate where Sen. Kathy Saltzman (DFL-Woodbury) is the sponsor.

The bill would also require candidates to provide information in the employment application regarding any history of disciplinary actions by the board, and give employers the standing to ask the candidates for information directly. It excludes disclosure of failure to pay court-ordered child support, spousal support or delinquent taxes.

HF2071 - Clark
HF1941 - Brynaeart
HF1785 - Norton
HF1207 - Slocum
HF1071 - Newton

Buesgens’ amendment was defeated, but another offered by Rep. Mary Liz Holberg (R-Lakeville), which added testing positive for alcohol use on school grounds during the school day to the types of misconduct that would be disclosed, was adopted.

Motivated by recent news reports revealing that a Bloomington school hired an employee whose criminal background check was inaccurate, Rep. Sarah Anderson (R-Plymouth) offered two amendments that would have stipulated criminal penalties for law enforcement officials failing to provide full background information on school job candidates.

Both amendments were ruled out of order. “If we are going to make public officials criminally responsible for not doing their duties, that is a dramatic expansion of this bill,” Rep. Melissa Hortman (DFL-Brooklyn Park) advised House Speaker Margaret Anderson Kelliher (DFL-Mpls.).

Board of Teaching Director Karen Balmer told the House K-12 Education Policy and Oversight Committee Feb. 19 that the threshold for taking disciplinary action is high, supported by “volumes of files” of evidence for those agreements, “but those files are not public, and in fact they’re very tightly protected by the data privacy laws.”

The actual stipulation agreement of disciplinary action, Balmer explained, is negotiated between the board and an individual teacher. It becomes public information, but rarely reveals the actual cause for the action.

— K. BERGGREN

Funding for jobs programs

A temporary increase in a fee paid by employers on taxable wages would help fund programs to put unemployed Minnesotans back to work, under provisions of a bill passed April 15 by a House division.

Rep. Tom Rukavina (DFL-Virginia) sponsors HF869, the omnibus higher education and workforce development finance bill. It would provide $2.9 billion in biennial funding for the state’s employment and economic development programs. The House Higher
Education and Workforce Development Finance and Policy Division voted 15-4 to approve the bill and send it to the House Finance Committee.

The jobs and economic development portion of the bill would fund the Department of Employment and Economic Development, the Department of Labor and Industry and a variety of professional licensure boards. It would ask for approximately $16 million more than Gov. Tim Pawlenty includes in his budget recommendations.

The bill would raise $35.4 million in new revenue through a temporary biennial increase in the workforce assessment fee levied on employers. During an April 15 hearing, Rep. Sarah Anderson (R-Plymouth) moved to delete the provision, arguing it would be coming at a time when businesses can least afford it. Her motion was defeated.

The bill includes $15 million for a proposed Minnesota Emergency Employment Development program similar to the one used to combat unemployment in the early 1980s. It would provide employers with a wage subsidy to hire laid-off workers.

Funding for programs Gov. Tim Pawlenty proposes to cut in his budget recommendations would be partially restored by the bill. This includes the Minnesota Inventors Congress, the Minnesota Alliance of Boys & Girls Clubs and the Minneapolis and St. Paul Summer Youth Programs. The bill also includes proposed funding increases for workforce development programs like Twin Cities RISE! and the NetWork for Better Futures.

The bill also includes a provision that would forgive nearly $33 million of a $48 million no-interest loan the City of St. Paul took out in 1998 to help build the Xcel Energy Center. The city would divert the money to finance construction of The Pond — a proposed 120,000-square foot, three-level ice arena across the street from the Xcel.

A companion, SF155, sponsored by Sen. Sandy Pappas (DFL-St. Paul), awaits action by the Senate Higher Education Budget and Policy Division.

— N. Busse

**ENVIRONMENT**

**Omnibus lands bill approved**

Camp Ripley is a 53,000 acre property used for military training by the Minnesota National Guard. Neighbors may again be offered the opportunity to distance themselves from the military base through a voluntary buffer program.

The Army Compatible Use Buffer project uses federal dollars to purchase perpetual conservation easements on neighboring lands.

The House Game, Fish and Forestry Division’s omnibus lands bill, HF696, sponsored by Rep. David Dill (DFL-Crane Lake), would authorize the Department of Natural Resources to buy additional easements along a three-mile area next to the camp.

Willing landowners would be paid 60 percent of appraised land value if they agree not to construct any new structures within the easement, or 70 percent if they also grant public access for outdoor recreation.

Other land sales and acquisitions were also included in the bill, which was approved by the division March 30. It now awaits action by the House Environment and Natural Resources Finance Division.

One of the largest acquisitions may include 123 acres of lakeshore, wetlands and prehistoric burial mounds that may be incorporated into Mille Lacs Kathio State Park, a National
Historic Landmark located on Shakopee and Ogechie lakes.

Surplus land would be sold through public or private sale. Private sales could include:
- a section of a Ham Lake hiking trail that would be sold to the city;
- the White Earth Band of Ojibwe could purchase land and a building in Clearwater County;
- Fillmore County property would be sold to the Eagle Bluff Environmental Learning Center for installation of a geothermal heating system;
- Afton Alps would be able to buy land owned by Washington County;
- the City of St. Louis Park would be allowed to purchase a strip of land adjacent to Minnehaha Creek;
- Wayzata would obtain a corner parcel for use as a road, contingent upon the city’s acquisition of the adjacent gas station;
- tax-forfeited land in Breitung could be sold to a private landowner;
- several tax-forfeited lots could be sold by St. Louis County for private ownership; and
- Murray Township could acquire a road into Lake Shetek State Park as public roadway.

In addition, about 500 feet of property fronting the Clearwater River would be conveyed to the City of Red Lake Falls for use as a public park.

A companion, SF1123, sponsored by Sen. Dan Skogen (DFL-Hewitt), awaits action by the Senate Environment, Energy and Natural Resources Budget Committee.

— S. Hegarty

Omnibus bill clears hurdles

Consumer protection policies, help for flooded areas and increases in fees for services and inspections are included in the omnibus environment and natural resources finance bill.

Sponsored by Rep. Jean Wagenius (DFL-Mpls), HF2123 includes spending recommendations for the Department of Natural Resources, Pollution Control Agency, the Board of Water and Soil Resources and the Metropolitan Council. On average, the agencies would be affected with 6 percent cuts, except for the Conservation Corps, which the bill proposes to fully fund. The bill contains a $744.2 General Fund allocation for the 2010-2011 biennium.

The House Environment and Natural Resources Finance Division and the House Finance and Ways and Means committees approved the bill over a three-day period beginning April 14. It awaits action by the full House.

The bill would:
- prohibit the use of yard waste bags that do not meet the American Society for Testing and Materials standard specification for compostable plastics
- protect children from toxic chemicals by establishing a priority listing of harmful substances, and requiring mandatory

TAX DAY

Julie Scheurer carries a baby doll along with a ball and chain attached to a sign to express her opinion that the next generation will have their future mortgaged to pay for federal stimulus funded programs. She is surrounded by members of the Minnesota Coalition for a People’s Bailout during their Tax Day Protest—Tax the Rich! Bailout the People! rally April 15 on the Capitol steps.
reporting by manufacturers of children’s products that contain the listed chemicals; and

• allow consumers to purchase DNR gift cards and certificates that could be redeemed to buy recreational licenses or to make purchases at historic site gift shops. The gift cards would retain their value until redeemed.

A large portion of the appropriation would focus on water quality issues, including:

• the Red River Watershed, which experiences frequent flooding;
• development of new urban storm water runoff design standards;
• prevention of lake, river, stream and groundwater degradation;
• water restoration practices that require planting native vegetation and seed; and
• grants to counties for the feedlot pollution prevention projects.

Funding for the state’s tree nurseries remains in the bill despite attempts by Rep. Denny McNamara (R-Hastings) to phase out the state’s two tree nurseries. In addition, an amendment by Rep. Tom Anzelc (DFL-Balsam Township) was successfully added that would require the Minnesota Forest Resources Council to submit recommendations to the Legislature by Jan. 15, 2010 to increase tree planting for the sequestration of carbon.

Due to the budget crisis, no money is in the bill for new state trails, although many park and trail bills were introduced.

Wagenius also didn’t include appropriations from the Clean Water Fund, which comes from the new dedicated sales tax, because she and other division members wanted to avoid any appearance that they were replacing budget cuts with the new dedicated tax dollars. The Clean Water Fund receipts must not replace traditional sources of funding.

A plan to use $940,000 from several dedicated outdoor recreation accounts to recruit and retain visitors to state natural areas was successfully amended out of the bill by Rep. Tom Hackbarth (R-Cedar). The DNR would have used the money to attract youth and new immigrant families to outdoor recreation opportunities. Hackbarth and other members said they support recruitment activities, but not at the expense of the dedicated spending accounts.

The House Finance Committee incorporated the omnibus energy finance bill, HF1754, into this bill in order to align it with the Senate version. In addition, appropriations for the Minnesota Zoo and the Science Museum of Minnesota, at the direction of the House Cultural and Outdoor Resources Finance Division, were amended onto the bill.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls), HF1781 would provide biennial funding for the Legislature, Minnesota Management and Budget, the Department of Revenue and several smaller agencies. Members of the House State Government Finance Division voted 7-6 to approve the bill April 15.

The bill includes budget reductions for the Legislature and the state’s constitutional offices, and a variety of policy provisions relating to state government. In all, it proposes $618 million in net General Fund spending — $65 million less than Gov. Tim Pawlenty proposed in his budget. This would be accomplished, in part, by raising more than $33 million in new revenue, largely through a new tax compliance initiative by the Revenue Department. Also included is partial funding for a project to overhaul the state’s accounting and procurement computer systems.

Policy provisions in the bill include domestic partner benefits for state employees, strengthened internal financial controls for state agencies and measures to streamline the voter registration process.

An amendment offered successfully by Rep. Karla Bigham (DFL-Cottage Grove) made several significant changes to the bill, including:

• removing a provision that would have asked the state lottery to operate slot machines at the Minneapolis-St. Paul International Airport;
• requiring Pawlenty to cut nearly all deputy commissioners and assistant commissioners in his cabinet to save the state money; and
• removing a proposal to shift $18.6 million in state aid for teachers retirement funds into the next biennium.

Kahn argued against removal of the airport slot machines provision. The proposal was expected to generate nearly $7.4 million in new revenues to the state in the next biennium.

The bill also includes the language from HF8, the proposed Minnesota False Claims Act. Sponsored by Rep. Steve Simon (DFL-St. Louis Park), the bill would impose penalties on those who make false claims to the state. That provision is still moving forward as a separate bill in the House, and is scheduled to be addressed April 21 by the House Transportation Finance and Policy Division.

Sen. Don Betzold (DFL-Fridley) sponsors the companion, SF1395, which awaits action by the Senate State Government Budget Division.

What’s in the bill

The following are selected bills that have been incorporated in part or in whole, into the omnibus environment and natural resources finance bill:

HF250 - Knuth
HF1754 - Hilty
HF2154 - Sailer

— S. Hegarty

GOVERNMENT

State government funding approved

A House division narrowly approved an omnibus state government finance bill that includes funding — and some big changes — for the Legislature and several state agencies.

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— N. Busse

HEALTH

Ensuring contract integrity

A bill to create more oversight of health care cooperatives was approved April 15 by the House Health Care and Human Services Finance Division.

HF120, sponsored by Rep. Larry Hosch (DFL-St. Joseph), would require the health commissioner to review and authorize contracts and business and financial arrangements made by cooperatives to ensure they are not in violation of federal antitrust law.


Under the bill, the commissioner would have 30 days to approve an application with contracts and financial arrangements from a cooperative. If the commissioner does not ask for more information from the cooperative, after 60 days the application is automatically approved. A $2,000 fee would be assessed for the commissioner’s cost of reviewing and monitoring the arrangements.

Opponents of health care cooperatives have said the negotiations through joint bargaining violate antitrust laws and result in price fixing. A letter from the Federal Trade Commission states concerns with the limited time frame of the commissioner’s review process.

Highlights continued on page 15
The process begins
A bill’s path through the House of Representatives

Each session, thousands of bills are introduced, and when the speaker passes a bill to the chief clerk, the bill’s fate is about to be placed in the hands of the members.

A bill that previously had its first reading and has gone through the committee process will be reported by the chief clerk for its second reading. The speaker will then recognize the chief sponsor of the proposal to present the legislation to all members.

Following an overview of the bill, each House member has an opportunity to change the bill by introducing one or more amendments. Those are debated and voted up or down by a voice vote or a requested roll call vote.

A voice vote is an audible vote by the members whereby the speaker decides which side prevails. If the speaker is unsure which side prevailed, he or she can ask members to stand to be counted. Members who disagree with a speaker’s decision following a voice vote can call for a division, in which case members again need to stand to be counted.

Following its request, 15 members must agree for a roll call vote to occur. A roll call vote is made by members pressing a red or green button on their chamber desk. This causes the electronic voting boards on either side of the chamber to light up like a Christmas tree with green lights for “yes” and red lights for “no” votes. Once the speaker closes the board, the vote is electronically tallied and displayed on both Vote Register boards in the House Chamber. Unlike the voting boards in the Senate, the House board does not have a visible tally as votes are cast.

After all amendments have been heard, debated and voted upon, the speaker will announce the bill’s third reading. At that time, final arguments about the bill can be made, but it can no longer be amended. Once members wanting to speak have voiced their opinion, a final vote is taken. An affirmative vote sends the bill to the Senate for its consideration or to the governor for his or her signature. A negative vote does not necessarily kill the bill as it may be reconsidered in the future. However, all bills not passed at the end of the biennium’s second year are dead.
House Majority Leader Tony Sertich makes closing statements during the third reading of the bill.

Rep. Alice Hausman, chief sponsor of the House omnibus capital investment bill, presents the proposal to members of the House.

Members get to their desks to vote on final passage of the bill.
Rep. Alice Hausman, chief sponsor of the House omnibus capital investment bill, presents the proposal to members of the House. House Minority Leader Marty Seifert also makes closing statements during the third reading of the bill. House Page Megan Swanberg places an amendment on a member’s desk for action by the House during the bill’s second reading. House Minority Leader Marty Seifert also makes closing statements during the third reading of the bill.
How a Bill Becomes Law in Minnesota

1. Bill
The idea for a new law is drafted as a bill and introduced by sponsors in both the House and the Senate.

2. House Committees
The House holds committee hearings on the bill to discuss it and make changes, if necessary.

3. House Floor
After the committees finish their work, the full House of Representatives votes on the bill.

4. Senate Committees
The Senate also holds committee hearings on its version of the bill. These can go on before, during, or after the House’s hearings.

5. Senate Floor
Just as the House does, the full Senate must vote on the bill.

6. Passage
If the House and Senate pass the same version of a bill, then it is sent to the governor for action. If the bills’ language differs, then the differences have to be worked out by a conference committee.

7. Conference Committee
If the House and Senate can’t reach an agreement on the language, they can work out the differences using a conference committee.

8. Governor
If the Senate passes the same version of the bill that the House does, then it goes to the governor where it can be signed into law or vetoed.
Public health omnibus bill

The omnibus housing and public health finance bill would decrease departmental budgets, increase revenue and target spending and policies regarding children’s issues.

Sponsored by Rep. Karen Clark (DFL-Mpls), HF2150 was approved by the House Housing Finance and Policy and Public Health Finance Division April 15 and referred to the House Finance Committee, where some provisions are expected to be separated out and incorporated into larger omnibus finance bills, such as health and human services.

The public health portion of the bill would initiate and increase several fee structures. Republican members tried unsuccessfully to delete or lower anticipated inspection fees.

Among those who could expect to pay more are hospitals, doctor offices, dentists and veterinary clinics.

Other fee changes include:

- $200 to $5,000 more than current amounts for the review and inspection of public pools and spas;
- a $4 increase for heritable/congenital disorder testing of newborns to provide support to families with children who are deaf or have hearing loss; and
- food and beverage licensing fees replace permits at recreational campgrounds and summer camp kitchens.

Licensed social workers, on the other hand, would see their fees decrease.

Two demonstration projects are in the bill: one for colorectal cancer screenings and one for women’s heart disease prevention. Both would receive $100,000. In addition, Clark successfully amended the bill to require the commissioner of health to make smoking prevention and cessation activities a top priority among low income, indigenous and minority communities when the department works in collaboration with the Clear Way organization. Clear Way receives 3 percent of the state’s tobacco settlement funds to support quit-smoking programs.

Craig Acomb, the health department's chief financial officer, said tobacco use in American Indian communities may have other cultural implications other than just public health. Clark said her amendment is in response to requests from these communities for more support.

Through dedicated funding, the Cooper/Sams volunteer ambulance trust fund would provide money for emergency medical services training, including an ambulance apprenticeship program for returning veterans.

Children’s issues also play key roles in the bill.

On a split vote, Rep. Jeff Hayden (DFL-Mpls) successfully amended the bill to include a program to treat youth violence as a health issue. Funding for the program would be contingent upon the Health Department receiving a grant from the Department of Public Safety, which would offer the grant program through federal economic stimulus dollars. Though public safety interacts with youths after they commit a crime, the Department of Health would spend the funds for prevention efforts.

Rep. Kate Knuth (DFL-New Brighton), who sponsors legislation to identify and monitor toxic chemicals in children’s products, successfully amended an adjustment to what is being called the Toxic Free Kids Act. The act would allow the Pollution Control Agency to gather information about chemicals found in children’s products, to prioritize those chemicals, to require manufacturers to use safer alternatives if sold in the state and to share information through a national clearinghouse for consumer products information.

— S. Hegarty

Higher education funding approved

Federal stimulus money would be used to lessen the pain of cuts to Minnesota’s colleges and universities, under the higher education funding package approved April 15 by a House division.

HF9869, sponsored by Rep. Tom Rukavina (DFL-Virginia), constitutes the omnibus higher education and workforce development finance bill. It would provide biennial funding for the Office of Higher Education, University of Minnesota and the Minnesota State Colleges and Universities system.

The House Higher Education and Workforce Development Finance and Policy Division approved the bill April 15. It now goes to the House Finance Committee, where it is scheduled to be addressed April 17.

The bill would appropriate $1.2 billion each to MnSCU and the university from the General Fund. Approximately $130 million of MnSCU’s funding and $231 million of the university’s funding would be taken from stabilization dollars from the federal stimulus package. The totals are identical to Gov. Tim Pawlenty’s funding recommendations.

Rukavina said the stimulus funds would allow lawmakers to buy down potential tuition increases at state-funded postsecondary schools. For MnSCU, tuition hikes would be pushed down to 2 percent per year using the funds, while tuition at the university would increase by no more than $300 per year.

Speaking at an April 14 hearing, Rukavina warned that the tuition buy-downs would be temporary, and that once the one-time money runs out, students at both MnSCU and the university might be looking at much larger tuition increases in the next biennium unless the economy turns around.

“I just wanted to be perfectly honest with what could happen, because we’re using that stimulus money to try to serve the students as best we can, but it’s not sustainable,” Rukavina said.

OHE would receive $385.4 million from the General Fund under the bill’s provisions, with $348.7 million of that going toward student financial aid. Pawlenty recommended $15 million less for the office’s total funding.

A companion, SF615, sponsored by Sen. Sandy Pappas (DFL-St. Paul), awaits action by the Senate Higher Education Committee.

— N. Busse

Omnibus housing bill approved

An estimated $90 million appropriation for the 2010-2011 biennium to the Minnesota Housing Finance Agency was approved by a House division April 15.

The housing portion of the omnibus housing and public health finance bill, HF2150, would provide help for struggling homeowners and renters and fix a problem with a trust fund for tenants of manufactured home parks. Rep. Karen Clark (DFL-Mpls) sponsors the bill, which has no Senate companion.

An additional $10.8 million from the...
federal stimulus funds is expected to be routed directly to other state departments or local housing agencies for programs related to foreclosure, home financing and renovations of homes for low- to moderate-income families.

Houses built prior to 1978 likely contain lead-based paint, which increases the risk of lead poisoning. The bill includes revised regulations related to companies who work on lead abatement renovations. It includes training policies and certification requirements of lead technicians.

The budget allocations break down to:
- $10.5 million for the housing trust fund;
- $9 million for the challenge grant program;
- $8.9 million for the acquisition, renovation and debt restructuring of federally assisted rental property and equity loans;
- $7.4 million for the family homeless prevention and assistance programs;
- $4.2 million to rehabilitate rental housing developments; and
- $2.6 million for a rental housing assistance program for adults with mental illness.

Division members also seek to correct problems with a law intended to help homeowners relocate when a manufactured home park closes.

The law requires that park owners and lot tenants pay $1 per month into a trust fund. Tenants can draw on the account if they are required to move because the home park closes. However, the manufactured home relocation trust fund is not adequately funded, due to lax enforcement.

The bill would add language from HF356, sponsored by Rep. Paul Gardner (DFL-Shoreview), which enables park owners to list the annual fee along with their tenants’ mobile home lot rent. Park owners would collect and pass the fees on to Minnesota Management and Budget for deposit in the trust fund.

— S. Hegarty

HUMAN SERVICES

Creating lifetime communities

A bill specifying criteria for building communities with the aging population as its focus was passed 92-36 by the House April 14.

Sponsored by Rep. Paul Thissen (DFL-Mpls), HF936 would define “communities for a lifetime” as partnerships of small cities, counties, municipalities, charter cities and towns whose citizens extend supportive services to persons age 65 and older to help them continue to be contributing, civically engaged residents.

The bill now goes to the Senate where Sen. Kathy Sheran (DFL-Mankato) is the sponsor.

“We are facing this coming age wave and it’s important we start thinking about it,” said Thissen. Creating such communities would allow people to stay in their communities and have access to an array of services, he said.

Under the bill, “communities for a lifetime” would have to offer opportunities such as:
- participating in the paid workforce with flexible schedule and hours;
- socializing, recreation and wellness activities, including both physical exercise and mental stimulation;
- a variety of affordable, accessible housing options, including single-family housing, independent congregate senior housing and senior housing services;
- community-wide mobility and access to public transportation, including door-to-door assistance and weekend and evening access; and
- an array of home and community-based services to support seniors’ options to remain in an independent living setting as they age and become more frail.

“I think it will get our communities thinking a little bit more about this,” said Rep. Steve Gottwald (R-St. Cloud). The first baby boomers are going to retire next year and the state isn’t prepared, he said.

— P. Ostberg

INSURANCE

Speeding up insurance claims

Let’s say you own a store and a fire destroys the building and your inventory. You have insurance, but you may find you have to hire a lawyer to get them to pay up.

“So despite the fact you’ve paid all this money for insurance premiums, you’ve got about half of what you should have had if the insurance would have paid out immediately,” said Rep. Joe Atkins (DFL-Inver Grove Heights).

He sponsors HF417 that would allow for a 12 percent interest charge on the insurance proceeds calculated from the time the insured requests payment of the policy amount, plus reasonable attorney fees and court costs.

“Right now the cards are stacked in favor of the insurance company and this just tries to make folks whole and put them on a little more level footing,” Atkins said.

The bill was passed 75-56 by the House April 16. It now moves to the Senate, where Sen. Tom Bakk (DFL-Cook) is its sponsor.

Opponents say the legislation would increase insurance litigation costs, and in turn, increase insurance payments. Some say the bill goes beyond similar regulations in other states.

Several amendments were defeated on the House floor that proposed to cap attorneys’ fees at $30,000 and award anything above that amount to organizations such as the Legal Aid Society. Rep. Tom Emmer (R-Delano) said attorneys ought to be able to do the job for that amount.

Rep. Jim Abeler (R-Anoka) was successful
with his amendment that, among other things, specifies that no entity administering an insurance plan shall require a patient to pay for care provided by an in-network provider in an amount that exceeds the fee negotiated for the covered service between the entity and that provider.

— L. Schutz

### Taxes

**Cigarette tax proposed**

A $1 per pack cigarette tax is on the table as a way to fund colorectal cancer prevention and women’s heart health programs, but some don’t think it goes far enough.

“What do you think if I amend (the bill) to $5 a pack? Or ban it?” asked Rep. Greg Davids (R-Preston) during an April 15 House Taxes Committee hearing.

“I wouldn’t support that if you tried to amend the bill in that way,” said Rep. Erin Murphy (DFL-St. Paul), sponsor of HF2194. “I’ve never been a proponent of banning tobacco use, and I think $5 is too steep of an increase.”

The bill was laid over for possible omnibus tax bill inclusion. A companion, SF1990, sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits action by the Senate Finance Committee.

Murphy’s bill would add $1 per pack on top of the federal cigarette tax of 62 cents that went into effect April 1. Four years ago, a state 75-cent per pack health impact fee was imposed.

Money from the proposed tax would be deposited into the health care access fund and appropriated for the colorectal cancer prevention and women’s heart health programs.

Health care costs are rising faster than any other area of the state budget, Murphy said, adding that this legislation would provide money for two problems with a predictable and stable revenue source.

“I think what you’re trying to do is so important,” said Rep. Kurt Zellers (R-Maple Grove). But he added that the state would likely lose revenue because many people would probably go out of state to buy cigarettes.

Dr. Marc Manley, vice president and medical director of population health at Blue Cross and Blue Shield of Minnesota, said the company calculated that diseases caused by tobacco cost the state $2 billion and kill 5,600 Minnesotans every year.

“Passing a tax on cigarettes is one of the best proven strategies we have at our disposal because it not only helps people quit smoking, but also prevents youth from ever starting,” he said.

Richard Bohnen, a convenience store owner from Bloomington, said he was discouraged by members using the word “ban.”

“Banning cigarettes, I mean, wow. I didn’t think we’d ever come to that step,” he said.

“Cancer and other diseases are always gonna be there. I can get skin cancer from sun-tanning, I mean, where does it end?”

— S. Hesman

### Transportation

**Deputy registrar sunset eliminated**

Of the state’s 173 deputy registrars, 72 are private corporations.

Sponsored by Rep. Randy Demmer (R-Hayfield), HF1209 would allow them to continue offering motor vehicle registration and titling transactions by eliminating a 2012 sunset date for a private corporation to be able to be appointed as a deputy registrar.

“This way they can go on and keep doing their business,” Demmer said.

Approved 128-0 by the House April 14, the bill awaits action by the Senate, where Sen. Katie Sieben (DFL-Newport) is the sponsor.

Currently the state determines the need and location for offices. The Department of Public Safety then approaches counties and cities about operating a license bureau. If each uses its right of refusal, the state appoints a private party to open the bureau. The majority of these private offices are in rural areas, each generally employing three or four people.

Supporters previously told a House division that most are family-run businesses, with the bureau portion being run at their own risk. Regardless if they are public or private, the bureaus receive no state financial assistance; they operate on filing fees associated with transaction costs.

Because of the volume of collections and sensitive data that is dealt with, these businesses must secure cash bonds and assume all liability in accordance with state rules. These businesses are generally incorporated to protect the operator’s investment. Without the repeal, many offices would likely close.

— M. Cook

**Transit gets help in omnibus bill**

The omnibus transportation finance bill contains $4.28 billion worth of funding. While none of it is new money, shifts and fund adjustments are expected to help transit programs.

Approved over a three-day span ending April 16 by the House Transportation Finance and Policy Division and the House Finance and Ways and Means committees, the bill awaits action by the full House. A companion, SF1276, sponsored by Sen. Steve Murphy (DFL-Red Wing), is scheduled to be heard April 20 by the Senate Taxes Committee.

Rep. Bernie Lieder (DFL-Crookston), sponsor of HF1309, said one of the largest issues was finding ways to fund transit in both the Twin Cities metropolitan area and Greater Minnesota. All are facing monetary shortfalls.

Because the schedule of state payments for operating procedures results in Greater Minnesota transit providers receiving large payments in July and November, some may run fiscally dry before July. Testimony earlier this month indicated a $7.56 million immediate need.

The bill shifts that amount from fiscal year 2011 to fiscal year 2009, with the fiscal year 2011 reduction made up using funds from the motor vehicle lease sales tax reallocation. That money was to fund a credit for low-income taxpayers to help offset the gas tax that was increased in the 2008 funding law; however, none has been distributed. This bill reallocates the funding so that 65 percent would go to Metro Transit, 25 percent to Greater Minnesota transit and 10 percent to roads of regional significance in the Twin cities metropolitan area.

In conjunction with the additional funding, neither Metro Transit nor transit providers receiving assistance from the Metropolitan Council could raise fares or cut service from 2009 through 2011. Each must also provide free public regular route transit for disabled veterans.

With transportation revenue not meeting forecasted levels, the trunk highway fund reserve is decreasing to the point where further declines could result in canceling projects.

Gov. Tim Pawlenty recommends a $150 million base reduction for state road construction; the bill reduces it by $100 million, state road operations and maintenance by $21.7 million and state road infrastructure by $17.1 million with three other areas getting smaller reductions. MnDOT department support would receive an ongoing $5 million biennial cut.

However, Lieder noted that federal economic stimulus dollars offset other decreases to provide a $67.6 million biennial increase for...
state road construction to $1.17 billion.

Other funding and policy parts of the bill include:

- drivers in a 55 mph or 60 mph zone on a two-lane highway could exceed the speed limit by 10 mph to pass another vehicle;
- creation of a MnDOT grant program for rehabilitation or replacement of fracture-critical bridges on a local road system;
- providing MnDOT with powers and authority related to passenger rail; and
- creating a new account for allocating funds to metropolitan counties for county highways that have regional or statewide significance.

— M. Cook

**LATE ACTION**

Signed by the Governor

**Alert notification assurance**

Just like those with sight, visually impaired people deserve to know what is happening in their neighborhood.

A new law, signed April 16 by Gov. Tim Pawlenty, requires law enforcement agencies that issue crime alerts to put them in a format that “a disabled person can access with commercially available text-based screen reader software.” It takes effect Aug. 1, 2009.

Richfield resident Clarence Schadegg brought forth the law. He said an alert formatted as a Word document would suffice.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Ken Kelash (DFL-Mpls), the law also classifies as private the names and contact information of citizens requesting a crime alert.

HF254/SF265*/CH22

— M. Cook

**McLeod West bonding authority**

The McLeod West School District may be consolidating with neighboring districts, but a new law gives the district bonding authority that will minimize the financial impact on those absorbing McLeod West’s 500 students.

Signed April 16 by Gov. Tim Pawlenty, the law authorizes a general obligation bond issue without voter approval for its estimated $3 million reorganization debt. It is effective April 17, 2009.

If a scheduled May 2009 election decides the district is to be consolidated among the Gibbon-Fairfax-Winthrop, Buffalo Lake-Hector and Glencoe-Silver Lake districts, those districts will be held harmless for any negative fiscal consequences of the reorganization.

Rep. Ron Shimanski (R-Silver Lake) and Sen. Steve Dille (R-Dassel) sponsor the law.

HF1040/SF811*/CH20

— K. Berggren

**Two companies becoming one**

A new law expands who may form a joint energy company.

Signed April 16 by Gov. Tim Pawlenty, and effective the following day, the law modifies the definition of “agency agreement” to include an agreement made between two or more existing municipal power agencies. Previous law authorized two or more “cities” to establish a municipal power agency.


HF951/SF896*/CH19

— S. Hegarty

**Biodiesel blend specifications**

The state's specifications for biodiesel blends will conform to those of the American Society for Testing and Materials, under a new law signed by Gov. Tim Pawlenty April 16 and taking effect the next day.

Sponsored by Rep. Tim Sanders (R-Blaine) and Sen. Kevin Dahl (DFL-Northfield), the law clarifies that biodiesel blend is a blend of diesel fuel and biodiesel fuel between 6 percent and 20 percent for on- and off-road diesel-fueled vehicle use and that it must comply with ASTM specifications.

HF1615/SF743*/CH17

— L. Schutz

**Vets highway designated**

A stretch of northern Minnesota highway will be designated to honor those that have protected America.

Effective Aug. 1, 2009, about 1.5 miles of Trunk Highway 200 from County State-Aid Highway 39 to its junction with Trunk Highway 92 at Zerkul, and about 27 miles of Trunk Highway 92 from that intersection north to County State-Aid Highway 5 in Clearbrook will be designated the “Clearwater County Veterans Memorial Highway.”

The law was signed April 16 by Gov. Tim Pawlenty.

The Transportation Department will design and erect appropriate signs, subject to the availability of nonstate funds to pay the costs. Rep. Brita Sailer (DFL-Park Rapids), who sponsors the law with Sen. Rod Skoe (DFL-Clearbrook), said the Bagley, Clearbrook and Gonvick American Legions have agreed to pay for the signage.

HF121/SF451*/CH18

— M. Cook

**Collecting a fuel decal fee**

The Department of Public Safety will be able to collect a fuel decal fee that can be shared with nearly every state.

A new law makes conforming changes to a 2008 law related to decals issued under the International Fuel Tax Agreement, a program between the 48 contiguous states and 10 Canadian provinces bordering the United States that standardizes the reporting of fuel use taxes by motor carriers operating in more than one state or province.

Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. Jim Carlson (DFL-Eagan), the law, effective July 1, 2009, strikes a reference to the department’s authority to establish a 50-cent decal fee, and requires collection of a current statutory decal fee of $2.50 to cover administrative costs of operating the program.

Hornstein said there had been confusion in the industry about which is the proper fee. He said other states charge up to $25.

Under the agreement, a state or province issues one fuel license and one set of decals for each qualified motor vehicle registered in its jurisdiction. The decal is valid for all member states and provinces. Displaying an annual fuel decal shows inspectors that those carriers are abiding by the agreement.

All money collected from the agreement goes into a central clearinghouse, where it is reconciled through the IFTA organization and appropriately redistributed based on miles. Each licensee is responsible to maintain detailed mileage and fuel records for all qualified vehicles.

HF619/SF757*/CH21

— M. Cook

**Honoring a former member**

The name of a longtime legislator will be attached to a northern Minnesota highway.

A law signed April 16 by Gov. Tim Pawlenty designates Trunk Highway 53 from Virginia to International Falls as the “Speaker Irvin N. Anderson Memorial Highway,” The Department of Transportation will design and erect signs that will be paid for through nonstate funds.

First elected in 1964, Anderson spent 34 non-consecutive years in the Legislature, serving from 1964-82 and 1990 until retiring in 2006. He was House speaker from 1993-96. He passed away last November.

MnDOT is also given permission to remove a memorial highway sign if it needs maintenance and a reasonable attempt has been made to obtain necessary funds from nonstate sources for repair or replacement.


HF110/SF335*/CH23

— M. Cook
Helping to find missing adults
House vote expected soon on ‘Brandon’s Law’

By Mike Cook

The last anyone heard from University of St. Thomas freshman Dan Zamlen earlier this month was “Oh God, Oh God” before his phone cut out.

Brandon Swanson’s car got stuck in a ditch near Taunton along the Lincoln and Lyon county line in southwest Minnesota on May 14, 2008. As his parents were on their way to help, the cell phone connection went dead at 3:10 a.m.

Neither young man has been seen or heard from since.

Sponsored by House Minority Leader Marty Seifert (R-Marshall), HF1242 may help create a quicker response in future cases.

“We have hundreds and hundreds of missing person adult cases in Minnesota. … The No. 1 job of us is to protect public safety.”

Awaiting action on the House floor, the so-called “Brandon’s Law” would expand the state’s missing children’s law to include adults who go missing under dangerous circumstances. A companion, SF1146, sponsored by Sen. Dennis Frederickson (R-New Ulm), awaits action on the Senate floor.

“It makes changes in laws that will make big changes for anguished family members who are missing adult children,” Seifert told the House Finance Committee April 15, noting that he worked with law enforcement representatives to create the bill’s language. There is no fiscal impact on the state budget.

The bill would require law enforcement to take a missing persons report without delay after notification of someone missing under dangerous circumstances, no matter the missing person’s age; immediately conduct a preliminary investigation to determine if the person is missing, and whether the person is endangered; and promptly notify all other law enforcement agencies of the situation.

It also spells out information that must be released to the missing person’s family; clarifies that the agency taking the report be the lead agency in the investigation; and suggests resources law enforcement could put into its policies for missing persons.

“Missing children must be entered into the National Crime Information Center, while reporting missing adults is voluntary,” Brian Swanson told the House Public Safety Policy and Oversight Committee March 12. “This is where ‘Brandon’s Law’ steps in.”

Choking back tears, Annette Swanson said that local authorities were informed of her son’s disappearance three hours after the cell phone connection ended, but because Brandon was 19, no help was immediately provided. Following a one-day search that began later that day, she said authorities told her to go home, and they would call when more was known.

“I was in total shock and disbelief at that moment,” she said.

The Zamlens said the immediate response from St. Paul Police after her son’s April 5 disappearance was not much better.

Sally Zamlen said she and her husband, Dale, sped to the scene from their Iron Range home, and for the first five hours they were at the location Dan was last heard from, the police were not. She said police refused to go down the bluff along the Mississippi River to search for their son, and an officer later stood guard to make sure nobody else did.

It wasn’t until two days later that Sally

Brandon continued on page 22
AT ISSUE: Sex education

Whose values are they anyway?
Lawmaker carries on family legacy with sex education bill

BY KRIS BERGGREN

It’s not surprising that Rep. Frank Hornstein (DFL-Mpls) sponsors a bill promoting sex education in schools. After all, he’s just living his family values.

After his father’s death last May, Hornstein came across a yellowed newspaper clipping while cleaning the Cincinnati apartment where the retired obstetrician-gynecologist lived. The Feb. 2, 1968, Cincinnati Enquirer article described Dr. Stephen Hornstein’s work as an early champion of sex education and legal abortion for unmarried teenagers in an era when many parents avoided discussing such touchy topics.

Sex education at home and at school would help combat “the tragedy of teenage pregnancy,” Dr. Hornstein told a reporter. Although he encouraged parents to talk to their children and set curfews and rules about dating and going steady, he added that “schools may have to take the lead if parents feel incapable.”

Not only did the lawmaker inherit a legacy of advocacy, he married one. Hornstein’s wife Marcia Zimmerman, senior rabbi at Temple Israel in Minneapolis, is a founding member of the Minnesota Religious Coalition for Reproductive Choice. The couple has three teenage children.

Now Hornstein sponsors HF906, which would require school districts to offer seventh through 12th grade students a “responsible family life and sexuality education” curriculum that includes abstinence education and medically accurate, age-appropriate information about preventing pregnancy and diseases.

The bill does not mandate a particular curriculum, but requires parents to participate in a district’s curriculum selection process and allows them to excuse their children from all or part of a program.

The changes don’t go far enough for former teacher Barb Anderson, who said the bill promotes “unhealthy behaviors.” She enumerated specific sexual activities and prevention methods included in several popular curricula that she said parents could find objectionable, and said programs considered “comprehensive” may give lip service but not equal weight to promoting abstinence.

Yet even an opponent might agree with the words of the elder Hornstein: “I’m convinced that, in many instances, young people don’t realize how their feelings can run away with them. They lose their judgment and begin an early sex life which has the potentiality of becoming disruptive and destructive.”

New data, old problem

“When I found the article I thought, ‘Wow, there is nothing new under the sun,’” Hornstein said. The experience reinforced his commitment to bring the bill forward, though it continues to face strong opposition from groups such as the Minnesota Family Council. “For me it’s partly a connection to him and his legacy, but it’s also partly (that) the exact same issues were raised 41 years ago and here we are.”


The report, released next month by the Minnesota Organization on Adolescent Pregnancy, Prevention and Parenting, indicates that 22 states have abandoned an abstinence-only curriculum of sex education.
A promise of recognition
Veterans status for Vietnam allied forces remains controversial

By Lee Ann Schutz

No one knows for sure how many boys in Southeast Asia were armed and trained in the 1960s to become members of an elite Special Guerilla Unit, and partner with the U.S. military during the Vietnam War.

Chia Koua Vang was 15 years old when he joined the unit.

That began his journey from the jungle hills of Laos, and ultimately to his resettlement in the United States as a refugee in 1978.

The reconnaissance help the unit provided to U.S. troops is indisputable; and the pride Vang feels of being “hand-picked” to be trained, to train and serve side-by-side with the U.S. Army is unwavering. His desire to learn, and also to help the United States control the unrest in his country were great motivators for him to take up arms.

He never asked for anything from the U.S. government, and the government never promised anything in return beyond a modest stipend and commissary privileges while serving. “And when you have nothing, a little is a lot,” Vang said through an interpreter: his son-in-law, Rep. Cy Thao (DFL-St. Paul).

However, there are some, Thao included, who feel the unit’s contributions should be recognized with veteran status, making them eligible for benefits.

Thao sponsors HF1295 that would qualify certain former Vietnam or Laos residents who aided the U.S armed forces during the Vietnam War for help from the State Soldiers Assistance Program. This fund is used to provide short-term financial help for state veterans in need.

If enacted, Minnesota would be the first state to provide some veteran assistance to these forces. Thao is hopeful the bill will provide the impetus needed to have Congress confer full veteran status on the allied forces.

Vang sat alongside Thao and Charles Vu, chairman of the Lao Hmong American Coalition, during an emotional House Veterans Affairs Division hearing March 13.

“They risked just as much in helping the U.S. government during the Vietnam War … If we can give them some basic benefits — like a pair of glasses or support with heat; these are some basic needs,” Thao said.

As with so many issues regarding the Vietnam War, veteran recognition for allied forces is controversial. One problem is the lack of official documentation of their involvement.

“They were basically trained by the CIA, for covert activities,” Thao said. Vang said that unit members received identification cards, and many still have them or have their numbers memorized.

Nevertheless, proving records are legitimate is a major obstacle, according to Mike Puglesi, deputy commissioner for the Department of Veterans Affairs. “Not that we want to question them, but we need to verify the (use of) taxpayer dollars … try to be as fiscally responsible as possible.”

He said the bill opens the door to a slippery slope. “Our charter is to take care of our American veterans. … I firmly believe this is a federal issue.” He said expanding eligibility for soldiers assistance funds could have an impact on current resources.

Rep. Mary Ellen Otremba (DFL-Long Prairie) countered, “These are guys that worked right next to ours, and they had our cards. It feels really awkward for us to not help them, even for any little thing. They fought as hard as anyone else.”

Some of the stiffest opposition to the bill comes from the state’s veterans organizations.

Stan Kowalski, state commander of the Veterans of Foreign Wars, likened this situation to his service in Europe during World War II, and said he would not be eligible for benefits from France or Germany.

“We were fighting a war for the Laotian and the Vietnam people. To say they deserve the right to be called a United States veteran, I can’t buy that. To give them the same benefits as others, I can’t buy that,” he said.

But, Rep. Doug Magnus (R-Slayton), who served in Vietnam alongside people like Vang, spoke passionately about the service they provided and their later contributions as U.S. citizens, including paying taxes.

Without solid numbers of those who would be eligible for state benefits and therefore its fiscal

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Sex ed continued from page 20

Minnesota Department of Health data.

After years of decline, teenage pregnancy increased 6 percent and 2 percent in 2005 and 2006 respectively, while rates of sexually transmitted infections such as Chlamydia, syphilis and gonorrhea rose 3.5 percent overall, continuing a 10-year rising trend. Although 15- to 19-year-olds comprise 7 percent of Minnesota’s population, they account for 30 percent of Chlamydia and 25 percent of gonorrhea cases. Rates of STIs, pregnancy and birth are higher among teens of color.

Survey says parents want sex ed

A University of Minnesota survey of 1,600 Minnesota parents published last year in the Journal of Adolescent Health found 89.3 percent supported a curriculum such as that proposed in the bill, including information about birth control, condom use and the benefits of waiting to initiate sexual activity. Dr. Michael Resnick told the House K-12 Education Policy and Oversight Committee April 2.

About 10 percent favored an abstinence-only program, while less than 1 percent did not want any sex education in schools.

“It is very unusual to see this level of concurrence in surveys,” said Resnick, a University of Minnesota pediatrics and public health professor who directed the survey, “yet these results are reflecting findings from parent surveys in other parts of the country as well.”

Resnick said sound research indicates the type of sex education proposed in the bill is linked to delaying the age of first sexual intercourse, increased proper use of condoms, fewer sexual partners over time and lower rates of teen pregnancy, abortion and birth. On the other hand, he said abstinence-only programs such as that promoted in recent federal initiatives, “do not show these positive behavioral changes.”

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impact, the bill was tabled by the division.

But Thao was successful in his lobbying efforts to “get something going.” A provision was inserted into the omnibus agriculture, rural economies and veterans affairs policy bill requiring the veterans affairs commissioner to ask federal agencies to determine the number and identities of Minnesota residents who, as former residents of Vietnam or Laos aided U.S. armed forces during the Vietnam War. The information could then be used to help the Legislature decide the feasibility of extending state veterans benefits.

A companion, SF1437, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Agriculture and Veterans Committee.

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Zamlen first met with a missing persons investigator and bloodhounds began to search. “They should have been out there Sunday afternoon,” she said.

Noting his son disappeared around 2:30 a.m. and his phone did not go dead until six hours later, Dale Zamlen said if the initiative had been taken right away, the authorities might have gotten a cell phone signal or been able to check his phone records.

“That thing is a key piece of evidence,” he said. “These people that have the opportunity to go out and look and use these resources, their hands are tied. They followed the letter of the law.”

The bill suggests that when an agency updates its missing person policies, it consider the use of subpoenas or search warrants for electronic and wireless communication devices, computers and Web sites.

“It will encourage police departments to seek warrants for cell phones and other electronic devices as soon as possible,” Seifert said. “We have situations where cell phones have pinging devices. … With the battery life on cell phones being rather brief at times, time is of the essence in taking missing persons reports. If we can get law enforcement on the case and expedite the warrant, we potentially can locate people by zone through cell phone devices.”

Sally Zamlen said that even though her son’s phone account was in her name, she was unable to immediately retrieve his phone records. “Here I am, paying the bill, thinking I’m doing my kid a favor by giving him this phone, and I’m told that I have no access to that because he’s 18.”

A working group would be established, under the bill, to create a standardized form for law enforcement to use when taking a missing persons report, and to develop “a model policy that incorporates standard processes, procedures, and information to be provided to interested persons regarding developments in a missing person case.”

The Jon Francis Foundation has agreed to pay the approximate $10,000 cost for the working group.

An avid mountain climber and Stillwater native, Francis, 24, was missing for more than a year in Idaho’s Sawtooth Mountains, before his remains were found on July 24, 2007.

His father, David, also spoke to the House Public Safety Policy and Oversight Committee March 12. He said that “a 29-hour hasty search” was conducted, before the local sheriff told him, “You need to give your son up to the mountain. They packed up and rode out of town.” The Francis family and others continued to search.

For family members and loved ones, Dan Francis said an unsuccessful search results in grief, deep despair, heartache, hopelessness, helplessness and abandonment.

“Good policy generally leads to good outcomes. Good laws encourage the kind of good behavior that we need when it comes to finding missing persons. … ’Brandon’s Law’ will help relieve human suffering and unresolved loss.”

We know we can address some of the negative health and social implications by responsible sex education. And that’s the fact. We know it works and we know it’s appropriate.”

— Rep. Frank Hornstein
Tuesday, April 14

HF2304-Huntley (DFL)  
Taxes  
Duluth; Seaway Port Authority tax levy replacement made.

HF2305-Reinert (DFL)  
State & Local Government Operations Reform, Technology & Elections  
Duluth; Seaway Port Authority relation with city modified.

HF2306-Huntley (DFL)  
Finance  
Health care provider tax proceeds dedicated to MinnesotaCare and health care access, and constitutional amendment proposed.

HF2307-Huntley (DFL)  
Health Care & Human Services Policy & Oversight  
Intensive medication therapy management pilot project established.

HF2308-Slawik (DFL)  
State & Local Government Operations Reform, Technology & Elections  
Optical scan voting equipment appropriation availability extended.

HF2309-Ward (DFL)  
Public Safety Policy & Oversight  
Statewide 24/7 sobriety program feasibility working group established.

HF2310-Davnie (DFL)  
Taxes  
Minneapolis; Minneapolis Convention Center property tax exemption provided for leased property.

HF2311-Hortman (DFL)  
Finance  
Southeast Asian youth job skills development program grant provided.

HF2312-Huntley (DFL)  
Finance  
Federal incentive payments issuance required, temporary rate increase provided for certain hospitals, voluntary intergovernmental transfer payments authorized, Medical Assistance payments authorized under certain circumstances and additional certified public expenditures reporting required.

HF2313-Wagenius (DFL)  
Finance  
Water monitoring funding provided.

HF2314-Wagenius (DFL)  
Finance  
Funding provided for Department of Natural Resources, Board of Water and Soil Resources and Pollution Control Agency to post budgets on Web sites.

HF2315-Huntley (DFL)  
Taxes  
MinnesotaCare taxes rates increased.

HF2316-Huntley (DFL)  
Finance  
Certain hospital payment unallotments restored.

HF2317-Kalin (DFL)  
Taxes  
Personal property exemption for an electric generation facility provided.

Thursday, April 16

HF2318-Rosenthal (DFL)  
Taxes  
Individual income tax research credit allowed and credit rate increased.

HF2319-Hornstein (DFL)  
Taxes  
Treatment of built-in losses of banks with an ownership change clarified.

HF2320-Westrom (R)  
Finance  
Douglas County; Kensington Area Heritage Society funding provided.

HF2321-Knuth (DFL)  
Taxes  
Publicly owned railroad property exempted.

HF2322-Rukavina (DFL)  
Finance  
Minnesota Venture Network Board created to provide tax credits to stimulate venture capital investment in Minnesota, Minnesota capital fund created to facilitate investments in venture funds, Minnesota venture network trust created as a public trust and a contingent tax credit provided.

HF2323-Lenczewski (DFL)  
Taxes  
Income and corporate franchise tax provided a federal update.

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Call House Public Information Services at 651-296-2146 or 800-657-3550
Minnesota Index

Minnesotans on motorcycles

Registered motorcycles in Minnesota in 2008 .......................................................... 224,625
Approximate in 2002 ................................................................................................. 149,000
Registered in 1996 .................................................................................................. 112,551
Percent of riders ages 50-59 .................................................................................... 33.5
Percent ages 40-49 .................................................................................................... 29.8
Percent age 29 or younger ...................................................................................... 10.8
Percent of riders who are male ............................................................................... 86.6
According to a 2008 survey, percent of motorcyclists who ride a Harley-Davidson ... 37.5
Percent who ride a Honda, Yamaha ........................................................................ 22.5, 14
Survey participants, as percent, who wear a helmet most or all of the time ............ 59.1
Times more likely that riders age 60 and older were to always wear a helmet
compared to riders age 29 or younger ...................................................................... 1.5
Times more likely that riders in their 30s were to report never wearing a helmet
compared to riders age 29 or younger ...................................................................... 1.5
Approximate number of riders injured in crashes in 2008 ........................................ 1,500
Number injured in 1998, 1988, 1980 ...................................................................... 987; 1,817; 3,359
Motorcycle riders killed in crashes in 2008 .............................................................. 72
Last year there were that many motorcycle fatalities in Minnesota ....................... 1985
Percent of registered vehicles in Minnesota that are motorcycles ...................... 5
Percent of traffic fatalities that are motorcyclists ................................................... 16
Of the 190 motorcycle fatalities from 2005-2007, percent that were known
to be wearing a helmet ........................................................................................... 23
Of 164 riders tested in fatal crashes from 2005-2007, percent who had been
consuming alcohol .................................................................................................. 37
Percent who were over the 0.08 percent legal blood-alcohol limit ......................... 29
Percent of riders who believe other drivers’ inattention or driving while
distracted is the greatest risk posed to riders by other motorists .......................... 67.7
Year the Minnesota Motorcycle Safety Center was established by the Legislature
to take a comprehensive approach to motorcycle safety through rider training
and education ........................................................................................................... 1982
Students who took a basic or advanced safety course through the center in 2008 .... 19,626
Class participants in 2002, 1996 .............................................................................. 7,709; 3,392
Percent of motorcycle owners who have taken a safety course in the last 25 years .... 36
Year the nonprofit Dial-A-Ride was formed to, in part, inform motorcyclists about
drinking and riding and offering free ride service .................................................. 1990
Phone number for their services ........................................................................... 1-888-DIALRID(E)

— M. Cook

Sources: Department of Public Safety Office of Traffic Safety, including Minnesota Motor Vehicle Crash Facts, 2007; Minnesota Motorcycle Safety Center; Motorcycle Dial-A-Ride, Inc.