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Big bucks on bets

The year 2000 was the most profitable yet for the Minnesota State Lottery, bringing in more than $397 million in revenue, Director George Andersen told the House Government Operations and Veterans Affairs Policy Committee. By comparison, $1.5 billion was bet at charitable gambling venues with $73 million wagered on horse racing at Canterbury Park. Andersen added the state estimates there was about $1 billion spent on illegal gambling activities in the state, primarily organized sports betting.

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1991 - Rep. Don Frerichs (IR-Rochester) wore a bulletproof vest on the House floor to avoid political “sniping” when a bill he sponsored came up for a vote. Facing a $197 million deficit for the 1990-91 biennium, the House approved Gov. Arne Carlson’s package of proposed cuts on a 69-61 vote, with more than a dozen DFLers joining almost a unanimous vote of the Independent-Republican caucus. The package called for $50 million in cuts for state aids to local governments and shifting $52 million in Motor Vehicle Excise Taxes from road and bridge projects to the General Fund. Carlson did not propose use of the state’s $550 million reserve fund, opting to save it for balancing the $1.2 billion shortfall forecast for the 1992-93 budget period.

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On the cover: Milo, a rescued puppy from Last Hope, Inc., rests in the hands of Rep. Pat Garofalo Jan. 25 as the representative presents to the House Taxes Committee a proposal to exempt sales tax from rescued pet sales.

— Photo by Tom Olmscheid
A smaller slice of the government pie
Lawmakers debate downsizing the state’s workforce

By Nick Busse

When Rep. King Banaian (R-St. Cloud) was campaigning last year, he thought voters would appreciate knowing that he, as a professor at a state university, had taken a two-year pay freeze. He was wrong.

“As it turns out, I got no sympathy for that whatsoever,” Banaian said. “I learned to shut up about my wage freeze.”

Banaian said he encountered many voters who had seen their wages cut, not frozen. So too did Rep. Denny McNamara (R-Hastings), who found that many of his constituents felt the public sector wasn’t sharing in their private pain.

“As I was out door-knocking, talking to my neighbors last fall, they kept saying, ‘Will you please live within your means? We can’t give you any more,’” he said.

The Republicans who seized the majority in the House and Senate this year campaigned on a platform of smaller government. Now that they’re in charge, many hope to scale back not only the amount of money the state spends, but also the number of people it employs. Bills are already working their way through the House that would freeze state worker pay, cut the number of state employees, and establish a commission to eliminate or combine state agencies.

As lawmakers prepare to solve a projected $6.2 billion budget deficit, many say a cut to the workforce is inevitable. But just how many state employees are there, exactly? And how much do they cost the taxpayers?

The state’s payroll
The State of Minnesota, with more than 38,000 workers in its three branches of government, employs more Minnesotans than any private company. Add in employees of the University of Minnesota, the Minnesota State Colleges and Universities system and a handful of other state-level entities, and the state’s payroll swells to a total of nearly 76,000 people. That’s roughly 3 percent of all working people in Minnesota.

To some, 3 percent might sound like a lot; to others, a little. It should be noted that on a per-capita basis, Minnesota actually has the 10th smallest state workforce in the nation. Either way, some lawmakers question whether the state needs that many workers.

“People are asking the question, ‘Why is state government still the one place where we’re growing and expanding?’ And obviously, the workforce is a fairly large component of that,” said Rep. Keith Downey (R-Edina).
Breaking down the numbers

It’s true that state spending has increased in recent years — nearly 38 percent since 2001, according to Minnesota Management & Budget. It’s also true that state employees collectively received pay increases in each biennium during that time period — as high as 6.4 percent in fiscal years 2002-03, and as low as 0.6 percent in the current biennium. And in two of the last five biennia, the increases exceeded the rate of inflation, according to MMB.

But overall, state employees account for only a small fraction of the total cost of state government. In the last full two-year budget cycle (fiscal years 2008-2009), the state spent $4.5 billion to compensate its roughly 34,000 executive-branch workers. That figure includes everything — salaries, health insurance, pensions, federal payroll tax, etc. During that same biennium, the state had a total budget of $55.1 billion. Do the math, and you’ll find employee compensation accounted for only 8 percent of the state’s budget.

Where does the rest of the money go? By and large, state dollars go to fund programs like K-12 education and health and human services, where the state provides money but others — school districts, counties and nursing homes, to name a few — provide the services.

This calls into question whether downsizing the state’s workforce would make much of an impact on the budget. Rep. Ryan Winkler (DFL-Golden Valley) said it wouldn’t, and he said efforts to cut the number of state employees are borne out of public misconceptions about state government.

“It’s creating this myth of the public sector running out of control,” Winkler said, calling it “nonsense” that state employees haven’t shared the pain.

In fact, MMB documents show while state spending has grown since 2001, the size of the state workforce has remained essentially flat, and even dipped slightly during the middle of the last decade. With employee salaries accounting for such a small portion of the budget, and with the size of the workforce largely unchanged, Winkler suspects talk of cutting state employees is motivated by politics.

“The Republican message is that government is bad,” Winkler said. “As long as they can get the public thinking that government can’t do anything right, then they have a better chance of enacting their broader business and corporate agenda.”

A changing workforce

At the forefront of the debate is HF4, which would require a 15 percent reduction (roughly 5,100 employees) in the number of executive-branch workers by 2015. Downey, who sponsors the bill, said that it is not part of a campaign to stigmatize state workers. Rather, he argues it’s an opportunity to innovate and streamline government services.

“To get better, and to deliver more for less thinking we can go forward with the same workforce is just impossible,” Downey said.

He points out that Minnesota has an aging state workforce. As of 2010, the median age of executive-branch employees was approaching 51. With an average retirement age of 61, Downey said a wave of retirements is looming. He worries that if the state hires new workers to replace the old ones, it will cement its current employee cost structure for decades.

“If we’re ever really going to have a chance to reinvent the basic model of government employment, I think we ought to take a look at it seriously now, and do things today so that we’re not locking ourselves into our current model for the future,” he said.

Rather than relying on layoffs, the bill would seek to downsize the executive branch through mostly attrition. It would establish an early retirement incentive program to reduce the number of workers, and then leave the details to Gov. Mark Dayton about which agencies would retain how many jobs.

But regardless of how reductions are done or who makes the decisions, Winkler said cutting workers can have unintended consequences. Among the jobs terminated when the executive branch downsized briefly in the early 2000s were MMB auditors. Winkler draws a direct line between their absence and a flurry of high-profile financial fraud and waste cases at state agencies in the latter part of the decade.

“When the agency that was supposed to be doing all this oversight and financial management had all these people disappear ... money started to disappear from big agencies,” he said.

In 2009, Winkler and Downey teamed up to pass legislation that boosted financial accountability at state agencies. But Winkler said it goes to show that lawmakers should carefully consider the potential impact of cuts before they make them.

“If it’s a government reform effort, then you should take the time to figure out what the effect of your reform will be,” he said.

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Add in employees of the University of Minnesota, the Minnesota State Colleges and Universities system and a handful of other state-level entities, and the state’s payroll swells to a total of nearly 76,000 people. That’s roughly 3 percent of all working people in Minnesota.
Zero-based budgeting approved

Lawmakers would have to begin building the state’s biennial budget from scratch, if a bill approved by a House committee becomes law.

Sponsored by Rep. King Banaian (R-St. Cloud), HF2 would require the state to use zero-based budgeting. In this method of budgeting, the base funding level for every state agency is assumed to be zero. Agencies present a “decision package” for lawmakers, detailing every individual activity the agency carries out and providing three funding options: the minimal level, the current level and the desired level.

The House Government Operations and Elections Committee approved the bill and referred it to the House State Government Finance Committee. Sen. Roger Chamberlain (R-Lino Lakes) sponsors the companion, SF146, which awaits action by the Senate State Government Innovation and Veterans Committee.

Banaian said one advantage of zero-based budgeting is that it engages personnel at state agencies who can provide input on where money would be best spent.

“The Legislature can’t reach down into an agency and find that mid-level manager that knows how to save $10,000 on a supply budget,” he said.

The bill would instruct state budget officials not to forecast expenditures beyond the end of the current fiscal biennium. Forecasts currently include information on both projected revenues and expenditures into the next two fiscal biennia.

Some members suggested zero-based budgeting is impractical. Rep. Mike Nelson (DFL-Brooklyn Park) said some agencies, like the Department of Corrections, can’t be eliminated.

“We have prisoners in jail, and they have to be guarded, and there’s going to be costs there. And to say, ‘Well, at the end of the biennium, that’s going to go away’ seems a little disingenuous,” Nelson said.

— N. BUSSE

More time to post lead certification

Residential remodelers, building contractors and other construction specialists could have more time to post their lead certification qualifications on a website as required by the Environmental Protection Agency.

The House Commerce and Regulatory Reform Committee approved HF166, sponsored by Rep. Karen Clark (DFL-Mpls) Jan. 26. The bill, which now goes to the House floor, would amend the effective date of last year’s law that brought the state building code into compliance with the EPA requirements regarding lead removal certification reporting.

Lisa Frenette, government affairs director for the Builders Association of Minnesota said they need more time to get the word out to its members that the posting is required and for them to comply.


A companion, SF139, sponsored by Sen. Ted Lillie (R-Lake Elmo), awaits action by the Senate Jobs and Economic Growth Committee.

— K. BERGGREN

Parent Aware

The Minnesota Early Learning Foundation recommended to the House Education Finance Committee Jan. 25 a statewide rollout of its Parent Aware child care rating system as a means to get more children ready for kindergarten learning and beyond.

The foundation, a public-private partnership due to sunset at the end of the year, has invested $20 million of private funds to operate a pilot child care rating system, Parent Aware, since 2007 in Minneapolis,
Parent Aware rates child care providers on their quality and funded quality improvements and training for providers, plus provides scholarships for some families who can’t afford market rate care.

Laurie Davis, MELF policy director, said the pilots have empowered parents; maintained consistency of care; and prepared children for kindergarten, as measured by their pre-literacy, pre-numeracy skills and social and emotional development.

MELF recommends a “train and retain” tax credit for providers to take classes in child development and a “hero tax credit” for donors to Parent Aware scholarship or program improvement funds.

“Wouldn’t it be more efficient just to fund sliding fee child care?” Rep. Mindy Greiling (DFL-Roseville) said. She supports the quality ratings, but said tax credits don’t help many poor families.

Davis said Child Care Assistance Program funds, for which some families qualify, are not required to be linked to quality rated programs, nor do they reimburse providers at their market rate. She said reforming the system to link funding with quality is a long-term goal.

MELF Executive Director Duane Benson called the credit an incentive that could drive investment and be used for scholarships.

Rep. Keith Downey (R-Edina) said the pilot may be a model for how to deliver services with value, adding that the rigorous pilot study produced sound data and is “absolutely a basis for making good policy decisions.”

--- K. BERGGREN

**Leading in new teacher assessment**

House Education Reform Committee members glimpsed a new way of measuring teacher effectiveness Jan. 25.

The Teacher Performance Assessment, created at Stanford University, is being piloted in 20 states. Minnesota is one of six on an accelerated timeline for scaling the process statewide, said Board of Teaching Executive Director Karen Balmer.

“We really are leading the nation in this work,” Balmer said. “And that’s very exciting, and it’s also very scary because the stakes are high and we need to get it right.” She said that traditionally, the board’s approval of teacher preparation programs is based on “input” such as course content and syllabi rather than outcome-based data about student learning.

Balmer expects TPA to be embedded in teacher preparation programs statewide by 2012. Assessment data will not be used to isolate teachers who don’t do well, she said. Instead, aggregated data will highlight where teacher preparation programs can modify their curriculum or instruction.

Misty Sato, a University of Minnesota professor of teacher development, distributed a sample assessment for secondary English language arts teacher candidates. It requires a variety of supporting materials including student work samples, video clips of instruction, supervisor surveys and a teacher candidate’s own reflective writing.

The criteria are based on subject content knowledge and pedagogy, as well as the candidate’s “disposition” for working with various learners.

Committee Chairwoman Sondra Erickson (R-Princeton) said TPA could connect the dots between the state’s academic standards and how teachers are prepared to convey that content. “This is very encouraging to me,” she said.

Rep. Rena Moran (DFL-St. Paul) is concerned about collecting data on the effectiveness of current teachers, not only future ones. “I think that kind of assessment is so, so important right now, because we have a whole population of our young people who are not succeeding.”

--- K. BERGGREN

**Contract deadline repeal OK’d**

Two bills that would repeal the biennial contract deadline for resolving collective bargaining agreements between school districts and their teachers unions were approved Jan. 27 by the House Education Reform Committee.

HF115, sponsored by Rep. Bob Barrett (R-Shafer), and HF92, sponsored by Rep. Keith Downey (R-Edina), would repeal the Jan. 15 deadline and $25 per pupil state aid penalty imposed on districts if the deadline isn’t met. The bills now go to the House Education Finance Committee.

Recently the Minneapolis school district incurred an $800,000 penalty; St. Cloud $500,000; and Edina $230,000.

“I think the repeal is necessary so that both parties can have the same set of rules,” Barrett said, saying the deadline and penalty distorts the bargaining process.

Mike McLoughlin, Chisago Lakes school superintendent, said while the intent of the deadline holds merit because it expedites the negotiation process, it has negative consequences in terms of school finances and teacher and community morale.

The state’s largest teachers’ union opposes the repeal. Jan Alswager, Education Minnesota chief lobbyist, said teacher strikes since 1995 only occurred during years without a deadline. She noted the trend is that contracts settled earlier in the school year generally result in higher wage increases than those settling closer to the deadline.

“Deadlines get things done,” she said.

Downey said the one-sided penalty jeopardized good-faith negotiations in his district and had the unintended consequence of eroding a previously positive dynamic between teachers and the community.

Scott Cronquist, Association of Metropolitan School Districts executive director, supports a repeal or modifications to the law, such as moving the deadline up so it doesn’t interfere with the school year or requiring arbitration as with other essential public employee groups.

“Our board members just fail to understand how when we have a law that penalizes students when the adults don’t get the job done makes sense,” he said.

A companion to Barrett’s bill, SF148, sponsored by Sen. Sean Nienow (R-Cambridge), awaits action by the Senate Education Committee. Downey’s bill has no Senate companion.

--- K. BERGGREN

**Employment**

**Unemployment extension approved**

Unemployed Minnesotans would be eligible for a 13-week extension to their unemployment benefits under a bill that won committee approval Jan. 25.

Sponsored by Rep. Rich Murray (R-Albert Lea), HF103 would also remove restrictions on the amount of benefits that can be paid to adult children who work for their parents’ businesses.

Members of the House Jobs and Economic Development Finance Committee referred the bill to the House Taxes Committee. It’s Senate companion is SF114 sponsored by Sen. John Pederson (R-St. Cloud).

The bill would give Minnesotans access...
to a federal extension of unemployment insurance benefits recently passed by Congress and signed by President Obama. Qualifying Minnesotans would be eligible for a maximum of 86 weeks of benefits, under the change.

Murray said the extension is funded completely by the federal government and would not cost the state’s UI trust fund, which is currently $600 million in deficit. He said the new federal extensions could bring $160 million into the state’s economy.

Some committee members raised concerns about the provision to allow Minnesotans to collect full unemployment benefits when they are laid off from their parents’ businesses. The bill would essentially repeal a law that was enacted last year to provide no more than five weeks of benefits to these individuals.

Craig Gustafson, the state’s chief UI law judge, said last year’s change was intended to prevent employers from “gaming the system” by hiring their own children for seasonal work and then laying them off so they can collect unemployment. He said the practice creates a $100 million subsidy that benefits certain small businesses, such as summer resorts, at the expense of others.

Rep. Bev Scalze (DFL-Little Canada), a small-business owner, argued the provision would “subsidize bad behavior.” — N. BUSSE

**Pension commission**

The Legislative Commission on Pensions and Retirement would grow larger and more bipartisan under a bill approved by a House committee Jan. 27.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls), HF110 would expand the commission’s total membership from 10 to 14. It would also grow the proportion of committee membership from the minority parties of the House and Senate.

The House Government Operations and Elections Committee approved the bill and referred it to the House State Government Finance Committee. There is no Senate companion.

The commission’s current membership comprises five members each from the House and Senate. Its job is to make recommendations to the Legislature on managing the state’s pension funds.

Minority party representation on the commission has been traditionally limited to one member each from the House and Senate. Kahn argued that requiring at least four commission members to be from the minority would give the commission some continuity of knowledge when majority control changes hands.

“Pensions are one of the most difficult issues that the legislature deals with,” Kahn said.

Chairwoman Joyce Peppin (R-Rogers) praised the bill and called it a good idea to include more minority members on the commission.

“I think it’s important that we have more people who are knowledgeable about pensions,” Peppin said. — N. BUSSE

### Energy

**Lift of coal moratorium sought**

Testimony is scheduled to continue Feb. 1 on a bill to repeal a portion of the Next Generation Energy Act of 2007 regarding carbon dioxide emissions.

Sponsored by Rep. Mike Beard (R-Shakopee), HF72 would remove a ban on new coal-generating plants of 50 megawatts or more. It would also allow utilities to import electricity from coal plants outside the state, such as the Great River Energy plant in Spiritwood, N.D.

The act limits new electricity from coal in order to control carbon dioxide emissions that are believed to contribute to climate change. The law allows for exceptions to the moratorium, such as if the Public Utilities Commission deems a project essential to the long-term reliability of the state’s electrical grid.

The House Environment, Energy and Natural Resources Policy and Finance Committee heard testimony Jan. 27, but took no action.

Beard called the ban of importing energy fueled by coal “ill-advised,” adding, “This bill will liberate and empower (people) with a robust and reliable supply of what we call the master resource, that would be affordable and abundant electrical energy so we can live our lives healthy, prosperous and free.”

But members, environmental organizations and student groups said allowing coal-fueled energy would result in increased pollution and higher energy costs.

Rep. Jean Wagenius (DFL-Mpls) said the increased pollution could lead to more health-related problems and increased health care costs. To counteract emissions entering Minnesota from North Dakota, Minnesota businesses would have to agree to lower their emissions in order to meet federal emission standards, she added.

A representative of the Minnesota Chamber of Commerce and Bill Glahn, former director of the Office of Energy Security, spoke in favor of the bill.

Glahn said the fact that utilities are not applying for nuclear or coal power plants may be more indicative of the moratoriums rather than the counter argument that those fuel sources are not in demand.

A companion bill, SF86, sponsored

### Disability Day

Andrea Svang uses an Echo communication device to talk with her care provider during a Disability Matters Day rally in the Capitol Rotunda Jan. 25.
Env. & Natural Resources

Streamlining environmental permit
Gov. Mark Dayton's executive order that will streamline the environmental permitting process within two state agencies did not deter the House Civil Law Committee from approving a bill Jan. 24 that would similarly modify timelines, plus two additional modifications.

The bipartisan goal is to make the permit application process more efficient for the Department of Natural Resources and the Minnesota Pollution Control Agency so that businesses are not inclined to move to another state.

Sponsored by Rep. Dan Fabian (R-Roseau), HF1 would require the DNR and MPCA to issue or deny environmental and resource management permits within 150 days of a submitted application. So does the executive order, which takes effect in mid-February. The bill would also allow the judicial review process to be done directly by the Court of Appeals. Now, a district court performs the work.

Thaddeus Lightfoot, an attorney with the Environmental Law Group, said the district and appeals courts perform essentially the same review and it’s a duplication of effort and attorney fees. But citizen groups oppose removing the stop in district court, which is typically geographically closer to those who want to attend a court hearing.

The other wrinkle in HF1 is the provision that would allow the proposer of a project to prepare a draft environmental impact statement, rather than the state agency that requires it. Fabian said a $12,000 ditch cleanup project in his district has escalated to $405,000 due to government inaction. Such cases “crush our local economy,” he said.

However, Rep. Mary Liz Holberg (R-Lakeville) and several DFL members said the bill, as written, may not accomplish Fabian’s intent to keep the environmental review process publicly transparent. Some fear the bill would enable private companies to prepare the draft EIS and to withhold information under the Data Practices Act.

Holberg said she’ll work with Fabian and other committee members to clarify the language.

Game & Fish

CWD found in wild deer
Preliminary findings confirm that Chronic Wasting Disease, a deadly brain and nervous system disorder found in deer, elk, and moose was found in a wild deer harvested near Pine Island.

Lou Cornicelli, big game coordinator for the Department of Natural Resources told the House Environment, Energy and Natural Resources Policy and Finance Committee Jan. 25 that previous disease cases had been confined to captive deer. The discovery set a surveillance protocol in motion that may result in deer-feeding restrictions and tap into the DNR Game and Fish Fund to help pay for containment and eradication.

Fifty cents of every deer hunting license goes into a special health account to pay for such efforts, but Ed Boggess, acting director of the DNR Fish and Wildlife Division, said there are more expenditures than revenue generated for health-related issues.

“This is really tragic news for our almost half-million deer hunters,” said Committee Chairman Denny McNamara (R-Hastings). The discovery occurred during laboratory analysis of more than 500 samples taken from hunter harvested deer taken within a 20-mile radius of Pine Island in southeastern Minnesota. This is the only suspected case, and further analysis by the National Veterinary Services Laboratories in Ames, Iowa, is expected by the end of the week, Cornicelli said.

Time is of the essence, he added, because when weather conditions improve, deer will disperse, making further testing more difficult. DNR officials hope to complete an aerial survey to locate deer within a 10-mile radius of where the infected female deer was found.

Chronic Wasting Disease is spread by the transference of prion, a bad protein, and is not caused by a virus, fungus or bacteria. Prions can transfer between deer, elk or moose from nose-to-nose contact or lay active in the ground for years, perhaps decades, Cornicelli said.

No action was taken.

One of the next steps could be to ban recreational deer feeding, such as salt licks. More detailed information can be found on the DNR website.

Health & Human Services

Children, families program overview

Many of the programs, such as the Minnesota Family Investment Program, child care assistance grants and children’s services grants are supported by both state and federal money. Of that state share “55 percent of the child welfare expenses are borne by property tax dollars,” Sutton said.

Sullivan Sutton noted that MFIP, which provides cash benefits to low-income families for cash and food supports, has a five-year limit. The program works in combination with a Diversionary Work Program and a work benefit that help families to avoid long-term assistance. In conjunction there are 44,711 families receiving an average monthly payment of $655. The average federal food portion for an MFIP family is $378 a month.

Rep. Steve Gottwalt (R-St. Cloud) asked if there was a formal process for finding out if programs accomplish the goals they are intended to achieve.

The state does measure and report county outcomes, Sullivan Sutton said. Measuring performance is really to encourage continuous improvement in services, but nobody gets it right all the time, she added.

Rep. Joe McDonald (R-Delano) asked what the return on investment is for those participating in programs.

Sullivan Sutton said most families exit programs within two years and also obtain and maintain employment, but families sometimes need to return to the program.
Public Safety

Penalty for deadly careless driving

Most, if not all, victim crimes in state statute contain harsher penalties based on the damage done. The same goes for property crimes.

Supporters of a bill want penalty enhancements when it comes to some instances of careless driving.

Sponsored by Rep. Pat Garofalo (R-Farmington), HF68 would increase the penalty to a gross misdemeanor for careless driving if it results in the death of another person.

Approved Jan. 26 by the House Public Safety and Crime Prevention Policy and Finance Committee, the bill next goes to the House Judiciary Policy and Finance Committee. It has no Senate companion.

Current law provides that when a person is found to be carelessly driving and causes the death of another person, they can be charged with either a misdemeanor — the equivalent of running a stop sign — or a felony. Probable cause must be shown to get a felony conviction.

“This would create a third option, where only in those cases where a person is first of all negligent, and second of all, their action results in the death of another individual, it would give the option or the flexibility of charging with a gross misdemeanor,” Garofalo said.

Nancy Johnson, president of Minnesotans for Safe Driving, would like “great bodily harm” added to the bill, but said the organization supports the current proposal.

Rep. Joe Mullery (DFL-Mpls) was one of at least a couple of members to audibly vote against the bill.

"Some of the top prosecutors in the state have told me this is a very bad bill, and that it’ll take away their possibility to get felonies on really bad cases," he said.

Garofalo said the Minnesota County Attorneys Association has expressed support for a third way to charge; however, he wouldn’t “state their support” for his exact bill.

Scott Hersey, head of the Criminal Division of the Dakota County Attorney’s Office, said the county attorney’s association approved a proposal Jan. 21 that is “substantially and substantively” the same as the Garofalo bill.

“I’ve been to a number of meetings where we meet with the family of people killed by careless drivers. We always get the question, ‘Why is there no stronger law?’” Hersey said. “We believe this will give judges more options.”

— M. COOK

State firearm background checks

Minnesotans currently wanting to buy a handgun or semiautomatic military-style assault weapon from a federally licensed dealer must first obtain a state permit through their local police.

Approved on a 10-7 party-line vote, the House Public Safety and Crime Prevention Policy and Finance Committee approved a bill Jan. 26 to skip the state authorization. The bill, which has no Senate companion, was sent to the House Civil Law Committee.

Rep. Steve Drazkowski (R-Mazeppa), the sponsor of HF161, said the bill, as amended, simply removes an unfunded local mandate he called “a redundancy in the law.”

He said the current law was written in 1977, long before the ability to perform almost instantaneous federal background checks.

State permits must be renewed every year.

Drazkowski said a sheriff in a county with a population of 21,000 said this bill would save 30 minutes to one hour of staff time per week. “If you extrapolate that up to some of the metro counties, you’re looking at a full position or positions that will be able to be eliminated by the cities and counties in those jurisdictions because of the elimination of this redundant mandate.”

Representatives from the police chief and officer associations spoke against the bill arguing, in part, it weakens public protection.

“We strongly feel that these local checks are not redundant,” said Dennis Flaherty, executive director of the Minnesota Police and Peace Officers Association. “I’ve never heard a chief of police complain about the resources it takes to do this. ... I’d rather us err in being complete on these checks.”

Bloomington Police Sgt. Mark Elliott said two provisions in Minnesota are more restrictive than the federal database.

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— M. COOK

Penalty for harm to police dog

Major was honored in November for his work with the Roseville Police Department. One day later he nearly died.

The German Shepherd was stabbed Nov. 12 as Roseville police assisted Maplewood officers responding to a break-in.

After finding a suspect, officers heard Major crying in pain. After a couple of minutes of frantic searching the dog was found. He had been stabbed four times. He was rushed to the University of Minnesota Veterinary Medical Center for emergency surgery. While Major survived, he did not regain use of his back legs.

The 21-year-old suspect pleaded guilty
It would also extend the gross misdemeanor offense of harming a public safety dog to cases where the dog suffers demonstrable bodily harm. Mandatory restitution could be up to $10,000.

Further, the bill would create a new offense whereby it is a misdemeanor to assault a public safety dog where the animal does not suffer "demonstrable bodily harm."

Mark Ficcadenti, head trainer with the St. Paul Police Canine Unit, said it costs about $7,500 to acquire a suitable dog for this role, plus the additional training costs.

--- M. Cook

**State Government**

**Better government for less?**

Counties could deliver better services with less money if the state would only let them experiment with new ways of doing things.

That was the message from one county official to members of the House State Government Finance Committee during a hearing on government innovation Jan. 26.

No action was taken.

County Administrator Tony Murphy said Beltrami County has been able to lower its property tax levy over the last two years while providing better and more efficient services. It has done so, he said, by switching to an "outcome-based" approach to state government, where officials focus on measuring results rather than just complying with state mandates.

The problem, he said, is that the state often gets in the way.

"The barriers come from the real seat of power in state government — the agencies," Murphy said.

Murphy said most of the services counties provide are mandated by the state. He said the agencies that oversee counties’ delivery of services are often more concerned with how services are delivered than the outcomes they produce. As an example, he said the county has changed its chemical dependency treatment program to focus more on ensuring the long-term health of clients.

To help foster reform, Murphy suggested letting counties experiment with new ways of delivering services by abolishing outdated state rules, or by establishing "incubators of innovation" for service delivery.

His testimony followed that of Gopal Khanna, lead co-chair of the Commission on Service Innovation, who said the state needed to reinvent its services to be more dynamic and responsive to citizens.

"We in the public sector have not done enough to foster an environment of constant innovation," Khanna said.

Committee Chairman Morrie Lanning (R-Moorhead) praised Murphy’s testimony, and encouraged him to submit a list of rules that he believes serve as a barrier to innovation in state-mandated health and human services programs.

Rep. Keith Downey (R-Edina) called Murphy’s testimony "really, really good stuff."

--- N. Busse

**Judicial backlogs, delays**

Even with the redesign and efficiency efforts that began in 2008, courts are experiencing delays, Fifth Judicial District Judge John Rodenberg told the House Judiciary Policy and Finance Committee Jan. 25.

Budget cuts in recent years have resulted in the state’s 10 judicial districts incorporating new technologies to reduce costs such as online payment for citations; and remote video and audio interpreting, Rodenberg said.

Even with these efficiencies, the system is backlogged and overloaded with the 1.6 million district court cases filed in 2010, he said.

"Recently three criminal convictions were reversed by the Court of Appeals because the system wasn’t able to provide speedy trials in a fashion required by law," Rodenberg said.

Thirty percent of the abused children taken out of their homes take longer than one year to be made available for permanency, returned home or placed for adoption, he added.

Hennepin County Chief Judge James Swenson said the judicial branch provides drug and alcohol problem solving courts that use evidence-based practices to stop people from cycling through the system. The benefits include reduced criminal costs, improved public safety and fewer children in need of child protection, said Swenson.

Such programs would be at risk under more budget cuts, he said.

The court systems have a duty to deliver a prompt remedy without delay in legal issues, said State Court Administrator Sue Dosal.

"Justice delayed is justice denied," she added.

Rep. Tony Cornish (R-Good Thunder) questioned the cost of providing court-aided interpreters. "I agree that everybody coming..."
before the court should have an interpreter … the longer we keep doing that, is that incentivizing people not to learn English?"

Interpreters cost the court about $3.4 million per year, said Dosal.

Rep. Tina Liebling (DFL-Rochester) said court language includes jargon that “oftentimes English speakers don’t even understand … even if you speak very good English you may still need an interpreter.”

The committee took no action.

— P. OSTBERG

Restriction on floor amendments

While in charge last biennium, DFLers put into the permanent House Rules the ability to limit debate on the House floor. The new Republican majority lifted the rule, and, instead, successfully placed one on the type of amendments that can be offered on the House floor.

According to the nonpartisan House Research Department, the new rule would restrict any amendment to increase spending from any fund from which appropriations are made in the bill or if the amendment would increase spending from all funds.

It was part of the rules approved 102-27 by the body Jan. 27.

In a procedural abnormality when the new rules were heard in the House Rules and Legislative Administration Committee Jan. 24, House Majority Leader Matt Dean (R-Dellwood), committee chairman, adjourned the meeting before the vote was taken for approval.

He quickly said “reconvene” and asked members to take their seats. The DFL members left the meeting. A quorum was present, and the changes were sent to the House floor for consideration.

That prompted a reminder from Rep. Gene Pelowski Jr. (DFL-Winona) when the rules were up for a vote on the House floor.

“Rules should be the committee having the highest standards of the body.” He cautioned that committee chairs need to ensure that members have a full understanding of the procedure to minimize irregularities.

“We understood what happened; we voted the rules out properly,” Dean said.

Before the rules were passed by the full body, they were amended to add corporations and labor unions to the list that members may not solicit contributions from during a legislative session.

Another rule requires members who are not seeking re-election to vacate their offices by Dec. 1 of their last year of service, and members who are not re-elected to vacate their office by Dec. 15.

Additionally, nonpartisan House Research Department staff is prevented from representing the House or its members as counsel of record in a judicial or administrative proceeding.

— L. SCHUTZ

Sunset Commission bill approved

Every Minnesota state agency would have to justify its existence at least once every 12 years, under a bill approved by a House committee Jan. 26.

Sponsored by Rep. Joyce Peppin (R-Rogers), HF173 would establish a 12-member Sunset Commission whose job would be to determine whether to continue, abolish or reorganize state agencies.

Using criteria such as efficiency, purpose, jurisdiction and effectiveness, the commission would determine whether a public need exists for each state agency, and make recommendations to the Legislature on what actions, if any, should be taken.

The bill would further establish deadlines for the expiration of various agencies, boards and commissions. Lawmakers would have to take legislative action to ensure their continuation. Peppin said this would prevent lawmakers from ignoring the commission’s recommendations.

Members of the House Government Operations and Elections Committee approved the bill and referred it to the House State Government Finance Committee. There is no Senate companion.

Rep. Frank Hornstein (DFL-Mpls) said it should be the job of the Legislature to determine whether agencies need to be abolished. He noted lawmakers took action several years ago to eliminate the Department of Employee Relations.

Peppin responded that legislators have not been diligent about reviewing agencies’ effectiveness.

“It is a discussion of whether we want to force the issue… and in my opinion, we need to do that,” she said.

Also at the meeting, most of the provisions of Peppin’s bill were amended into HF2. Sponsored by Rep. King Banaian (R-St. Cloud), the bill would establish the Sunset Commission and also require the state to use zero-based budgeting.

A companion to that bill, SF146, sponsored by Sen. Roger Chamberlain (R-Lino Lakes), awaits action by the Senate State Government Innovation and Veterans Committee.

— N. BUSSE

Taxes

Animal shelters seek tax exemption

Milo and Joey were silent testifiers in support of a bill that would exempt from state sales tax the sale of animals by nonprofit animal shelters.

The two puppies are from Last Hope, Inc., a nonprofit, volunteer-operated animal rescue in Farmington. Sandra Shirley, a rescue volunteer, told the House Taxes Committee the bill would save them nearly $15,000 annually in sales tax payments – money that could go toward veterinary and food costs for the animals. She said voluntary animal adoption fees collected last year did not cover their expenses.

“We made up for it with private donations. With the economy, our donations are slowing down,” she said.

Sponsored by Rep. Pat Garofalo (R-Farmington), HF36 would allow the exemption if the organization’s main purpose is animal rescue and the price of the animal does not exceed reasonable costs incurred in its care prior to its sale. The estimated cost to the General Fund for the exemption in fiscal year 2012 would be $306,000.

PHOTO BY TOM OLMSCHEID

Joey, a rescued puppy from Last Hope, Inc., in Farmington, shows his affection for Rep. Pat Garofalo as the representative presents a bill that would exempt rescued pet sales from sales tax during a Jan. 25 hearing of the House Taxes Committee.
The bill was laid over for possible inclusion in an omnibus tax bill. It has no Senate companion.

Rep. Jim Davnie (DFL-Mpls) questioned the ability to charge sales tax on what, in essence, could be considered a donation to the organization.

“I thought I understood that if I received something of value in exchange for the donation I could not then claim the donation as a deduction,” he said.

Joel Michael, a nonpartisan House Research Department analyst, explained the difference between a personal income tax deduction for a donation and the bill’s intent for a sales tax exemption to an organization.

“The question in this case is whether the individual adopting the animal is making a true donation or if they are paying for the animal. If you look at the bill, it doesn’t say donations … but sale as defined under the sales tax,” he said.

— L. SCHUTZ

Dispelling LGA’s urban myth

Once termed a great equalizer of services offered by communities across the state, local government aid, or LGA as it is commonly known, has become complicated to understand.

During a recent overview by the nonpartisan House Research Department, Rep. Bob Barrett (R-Shafer) said, “You are trying to teach us college algebra and I’m looking for a solution that requires fifth-grade math.”

But it’s the purpose for which LGA was created in 1971 that was on the minds of several new members to the House Property and Local Tax Division Jan. 25. No action was taken.

“Being a former mayor, I’ve heard the urban legend, if you will, that it was for infrastructure, especially for public safety, especially fire protection,” said Rep. Joe McDonald (R-Delano).

House Research Analyst Pat Dalton said that, as far as she could determine, the Legislature put no limits on how the money could be spent.

“It was to help make sure that all cities could meet their general service needs,” she said, adding that the Legislature, over the years, has discussed tying the aid formula to public safety and infrastructure needs.

“I know one of the big discussions has been, ‘What is the purpose of LGA?’ My answer to that is the purpose of LGA is whatever you all decide is the purpose of LGA,” she said.

A major revision to LGA in 2003 was criticized for being too volatile and not meeting the needs of certain cities, such as suburbs, according to Dalton’s report. Reforms in 2008 addressed some of the complaints.

Division Chairwoman Linda Runbeck (R-Circle Pines) is organizing an LGA working group to revisit the LGA formula and criteria.

Rep. Paul Marquart (DFL-Dilworth), who chaired the division the last four years, said that starting any discussion about a LGA overhaul should not begin on a false premise.

He affirmed that it was intended for property tax relief and to support basic services. “LGA was not started to deal with law enforcement as a specific thing.”

Rep. Ann Lenczewski (DFL-Bloomington), former House Taxes Committee chairwoman, said the LGA formula needs revision; noting, that it may be a politically difficult decision for some, especially for members in districts where communities rely heavily on the state aid.

— L. SCHUTZ

Transportation

Transit governance concerns raised

A new evaluation report notes that the transit system throughout the Twin Cities metropolitan area has performed well compared to peer cities, but there is plenty of room for improvement when it comes to transit governance.

“Reform is needed, but it won’t be easy to accomplish,” Legislative Auditor James Nobles told the Legislative Audit Commission.

Released Jan. 21 by the Office of the Legislative Auditor, the report recommends that the Legislature should restructure the Metropolitan Council; the transit taxing district should be extended to all areas under the council’s jurisdiction; and the Legislature should clarify transit priorities and goals for the region.

“It is a very important blueprint for legislative action, hopefully on a bipartisan basis,” said Rep. Frank Hornstein (DFL-Mpls).

Nearly $319 million was spent on transit operating expenses in 2009, a 24 percent increase since 2005.

The report notes that government operation of transit “is complex and fraught with distrust.” It indicates coordination between the Metropolitan Council, the planning agency for the seven-county metropolitan area, and other transit organizations has been difficult when the different groups must work together.

For example, when state voters passed a constitutional amendment to allocate additional motor vehicle sales tax revenue to transit, suburban transit providers expected the money to be allocated based on a formula. Instead, according to the report, the Met Council distributes the supplemental money based on regional priorities.

“Because the process for developing transit ways in the region relies on local initiatives and funding, there are multiple transit corridors being evaluated without a common understanding of the region’s transit priorities,” the report states. “Each community considers its transit project to be a priority, but the project may not be a priority for the region.”

State statutes do not prioritize transit goals.

“The Met Council’s lack of credibility stems from the governance structure of the Council itself,” the report states. Because the 17 council members are appointed by the governor, some outsiders believe the council is more focused on pushing the governor’s agenda, rather than supporting the region as a whole or the district from which they were selected.

The report suggests making the council a mix of appointed and elected members, all serving staggered terms.

“This is a first step to lead to a more streamlined governance,” said Judy Randall, the project evaluation manager.

— M. COOK

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Preserving an engineering feat
Capitol dome repairs hope to preserve Minnesota’s statehouse for many years

BY PATTY OSTBERG

A gold-accented achievement in St. Paul’s skyline, the Minnesota State Capitol’s dome is the second-largest self-supportive marble dome in the world.

But looks can be deceiving. There are actually three domes.

Designed after Rome’s St. Peter’s Basilica, architect Cass Gilbert’s engineering feat has lasted more than 100 years, but it needs upkeep. It’s currently undergoing $4 million in weatherization repairs.

The initial cost to build the Capitol, which opened in 1905, was $4.5 million.

Department of Administration Communications Director Jim Schwartz said the repairs are to correct aging issues related to water infiltration. Schwartz explains the three-dome structure includes an exterior dome that people see from the outside, an interior dome seen while looking up in the rotunda and an unseen middle dome that functions as the water transport system.

The outer dome was designed to allow water to penetrate it, and on the interior of it there’s a gutter system that collects and removes the water. Over time, the system has deteriorated along with the joints on the outside marble allowing additional water to enter and cause damage to the inside dome, particularly the plaster, Schwartz said. Other repairs include replacing the windows, louvers and installing a drain for the deck at the top of the dome.

Another major issue is humidity on the inner dome that is built of a brick structure covered by a rubber membrane. When water comes in from the outer dome it falls on the membrane and is directed to a gutter system that pipes water out of the building.

To correct the humidity issue, a hole was enlarged on the inner dome, Schwartz said.

Engineers and inspectors found further deterioration on outside decorative elements, including the eagles that stand guard around the dome, as well as some of the roof projections. Veined like grains in wood, the marble is long-lasting, but the veins are deteriorating at a faster rate because of Minnesota’s freeze and frost cycles causing cracks, Schwartz said. A report expected to be completed this summer should detail the additional work needed to be completed.

The majority of the initial exterior work has been completed as well as a good share of the interior work.

By early summer, Capitol visitors should be able to again view the dome from inside once the protective sheeting is removed. The 1-ton chandelier that hangs above the Rotunda is to be hoisted later this year at a ceremony when the fixture will be lit, said Minnesota Historical Society State Capitol Site Manager Brian Pease.

A workman in a Bosun’s chair works on the exterior of the Capitol dome last fall.

PHOTO BY TOM OLMSCHEID
Capitol improvements

A plastic tarp covers the base of the interior dome as work proceeds above to repair water damage and install an air exchange system.

Water damage has caused one of the murals and the window sills on the interior dome to deteriorate.

Two scaffolds are erected on either side of the catwalk and across the base of the interior dome and held up by a cable from the top of the dome. The scaffolding can be rotated around the catwalk to replace two windows at a time.
Harvey Jaeger, principal project coordinator of the Department of Administration’s Real Estate and Construction Services Office, explains the air exchange system that has been installed between the interior and frost dome.

A metal ring has been installed in the top of the dome to allow hot air to rise into the frost dome. The hot air will then be mixed with cool air and exhausted out of the frost dome to outside the Capitol.

The first bill passed by the House this year would take a $1 billion slice out of the state’s projected $6.2 billion budget shortfall.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville), HF130 would cut $181 million in spending in the current biennium and reduce the state’s next two-year budget by $822 million. Holberg said the bill would give lawmakers a head start on addressing the deficit.

“We’ve got a big problem in front of us. To start working on this now makes sense,” she said.

The House passed the bill 68-63 on Jan. 27. It now goes to the Senate, where Sen. Claire Robling (R-Jordan) is the sponsor.

The bill would extend temporary budget cuts that were passed during last year’s May special session. These include: $594.5 million in reductions to property tax aids and credits; $185 million to higher education; and $46.5 million to health and human services programs.

Supporters said the reductions are merely a continuation of current funding levels into the next biennium, and said they should not come as a surprise to anyone. They argued this package of cuts would be the easiest that lawmakers will vote on this session.

“If anyone thinks we can balance this budget without making some reductions, you’re not living in reality,” said Rep. Jenifer Loon (R-Eden Prairie).

Among the largest reductions, city and county aid would be reduced $487.5 million. The property tax refund credit for renters would shrink from 19 percent to 15 percent of rent paid, reducing that program by $105.9 million. The Minnesota State Colleges and Universities system would be reduced by $95.8 million, while the University of Minnesota would take an $89.2 million reduction.

DFL members argued the reductions would lead to higher property taxes and college tuition, and would further burden already strained human services programs that protect children and vulnerable adults. Many called the bill “reckless,” and said it had been rushed through the committee process without input from the public.

“I think that these cuts are reckless; I think that they are misguided; and I think we need to go through a deliberative process to figure out how we can make this work,” said Rep. Jeff Hayden (DFL-Mpls).

Members also expressed concern about a part of the bill that would require state agencies to hold back $199 million in unspent funds in the current fiscal biennium. Gov. Mark Dayton’s administration would be given discretion over which areas of the budget would be cut, but some members said there’s not enough money left on the bottom line.

Rep. Lyle Koenen (DFL-Clara City) said the bill could impact funding for tuition reimbursement and reintegration programs for veterans and their families. Rep. Kory Kath (DFL-Owatonna) expressed concern it could impact funding for flood relief.

Other provisions in the bill include a salary freeze for state workers and a package of federal tax conformity changes. The salary freeze would not technically save money in the next biennium, but would prevent pay increases that could grow the budget deficit.

Supporters stressed the urgency of the state’s looming budget problems.

“We have been making promises we cannot keep with money we do not have,” said Rep. Steve Gottwalt (R-St. Cloud). “It’s time to get started solving this budget deficit.”

— Rep. Jeff Hayden
DFL-Mpls

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The goal: 25,000 new teachers
Bush Foundation commits big bucks to revamp teacher training

By Kris Berggren

While the debate over education reform has swirled around alternative paths to teacher licensure and last year’s stymied application for federal Race to the Top funds, a quiet movement has been brewing that could significantly change how teachers are trained.

The Bush Foundation has committed $40 million over 10 years to the Network for Excellence in Teaching. The grant is the foundation’s largest-ever investment of resources in a single focus area, Susan Heegaard, the foundation’s vice president for educational achievement, told the House Education Reform Committee Jan. 20.

The funds are helping 14 colleges and universities in Minnesota, North Dakota and South Dakota redesign teacher preparation programs and recruit top talent into the profession. The goal is to produce 25,000 highly effective teachers to replace those who will retire during the next decade.

The case for prioritizing quality teaching is bolstered by wide variances in education outcomes in the state. Though Minnesota students score highest in the nation on ACT college entrance exams, many need remedial courses once they get there, according to a Minnesota State Colleges and Universities report released Jan. 18. It revealed that 40 percent of the state’s 2008 high school graduates who enrolled in a two- or four-year college needed at least one remedial class.

“That represents 13,000 kids in Minnesota who are showing up to our colleges unprepared,” said Minnesota Business Partnership Executive Director Charlie Weaver.

In 2009, the foundation decided to focus on improving teacher quality as a means to close the achievement gap based on strong evidence that teacher quality is the most important in-school factor in student achievement.

Bush Foundation President Peter Hutchinson called the partnership a “breakthrough” that could “change the trajectory of education, not only to make sure everybody does well, but that those who are doing the least well get caught up.” He said a key is that the 14 institutions will guarantee their graduates’ effectiveness in the classroom.

Exactly how they’ll make good on that guarantee is still in the works, said Kathy Ofstedal, co-director of St. Cloud State University’s Teacher Preparation Initiative. “We have the data showing why we have to change,” she said, and although getting groups of people together from six school districts, two university departments and the teachers union has been painstaking, it’s been worth it. “Right now, in the midst of all this other stuff, reorganization, cuts to our campus, we have been given this opportunity to do this and we are grabbing it and running with it.”

What is changing in teacher training
The 14 institutions are working with K-12 districts whose superintendents, classroom teachers, principals and union members have agreed to participate.

Ofstedal said St. Cloud State University is working with six school districts ranging from St. Cloud, with many schools and 25 percent students of color, to tiny Holdingford, which has one school. They’ve formed a joint powers agreement, and are working to schedule a common in-service day for training in conjunction with the university.

Another welcome byproduct is much better communication between St. Cloud State’s education and arts and sciences faculty who share responsibility for budding teachers’ education, but who have traditionally bickered about credits and course content.

Rep. Linda Slocum (DFL-Richfield), an eighth-grade history teacher, welcomes a better melding of content and pedagogy. She has recommended that some student teachers she’s supervised take more history coursework so they can be more effective in the classroom.

Redesign is underway at Twin Cities Teacher Collaborative member institutions: Augsburg College; Bethel University; Concordia University, St. Paul; Hamline University; St. Catherine University; and the University of St. Thomas.

Linda Distad, a St. Catherine University professor of education, said members have agreed on “signature experiences” that each will embed in its curriculum. They include
Licensure candidates will be evaluated on content knowledge, ability to work with various types of learners, lesson planning and classroom management. The results are not intended to isolate individuals performance — at least not yet — but will be aggregated and funneled back to the teacher preparation program which will learn where graduates are achieving desired results, and adjust their instruction accordingly.

“We are hoping to do a couple different kinds of analysis,” said Misty Sato, Campbell Chair for Innovation in Teacher Development at the University of Minnesota. “First, of changes in professional culture and learning at the higher education level, and of student learning in regard to Bush Foundation partnership.”

Selling teaching to potential teachers

The foundation will launch a recruitment campaign to attract top talent to teaching, by inviting “change makers” on campus to consider teaching, strengthening admission requirements to teacher preparation programs, and possibly offering tax credits, scholarships or loan forgiveness.

“I think it’s going to fit in well with something that is going on naturally,” said Rep. Kurt Bills (R-Rosemount), who estimates he’s taught 7,000 students during his career as a high school economics teacher. “With this generation you do see some really high level students in pre-med, financial industries, engineering, doing the Teach for America route or just opting into teaching. Not for pay but for giving something back.”

The marketing plan will also try to match graduates’ certification with K-12 district’s needs. Minnesota graduates about three times more elementary education majors than are needed, but has shortages in some areas such as science and math disciplines.

a residency model for teacher candidates before they complete their traditional student teaching, and “co-teaching,” a mentor-trainee model of sharing planning and instruction duties that’s been successful at St. Cloud State University.

A cohort of pre-service teachers pursuing the same licensure, such as secondary chemistry or elementary special education, could work at the same K-12 site, along with mentor classroom teachers and a university professor. The residency model will benefit the teacher candidate, the classroom teacher and the higher education professor, Distad said. “Most important, we believe it has a direct impact on the children in the classroom, making a much stronger learning experience for them.”

Another key component of the programs’ redesign is a focus on value-added teacher assessments, such as the Teacher Performance Assessment, which the Board of Teaching is already piloting in Minnesota.
Leading by example
An economic wonk, Bills wants to use his background to create solutions

BY MIKE COOK
Circling the walls inside the office of Rep. Kurt Bills (R-Rosemount) are posters made by his students that show the history of economic thought.

Those students, whom Bills still sees each school day, are a big reason why the high school economics teacher is now a House member.

“I want to show them the importance of getting involved,” he said.
The affable Bills comes to his representative role with two years of experience on the Rosemount City Council, a position he sought in 2008. He won a 26-person contest for an open seat, spending just $500 on his campaign and having no yard signs.

“Teaching is almost like a name-recognition drive,” he said. “There’s door-knocking and then there’s sitting in parent-teacher conferences every trimester for 14 years. It’s getting to know people and treating them respectfully. There are no monikers in the classroom. I understand there are parents who are liberal, and there are parents who are conservative, and there are parents that don’t care and there are parents who are wildly independent, but all of their children are going to be educated the same way in the benchmarks that are found in our educational standards.”

Bills, a one-time head wrestling coach, teaches an Advanced Placement macroeconomics class at Rosemount High School beginning at 7:30 a.m. each morning before switching to his role as a legislator. He teaches an Advanced Placement microeconomics class in the fall.

Appropriately for a man who can discuss the pros and cons of many famous economists, his campaign slogan was “Let’s bring Econ101 to the Capitol.”

“It’s not a political ideology. It’s we have to deal with scarcity, so how are we going to move forward, and so that we don’t burn it up in the long run,” he said. “I’m not a big anti-debt guy.”
The father of four children ages 4-13, Bills also brings the perspective of a small-business owner. He and his wife, Cindy, operate a home daycare. “I fix everything they break,” he says laughing. “Someday I will invent a better door handle.”

A third call to duty
Leidiger says his obligation is ‘to right-size government’

BY LEE ANN SCHUTZ
An American flag propped up in a coffee cup promoting the Tea Party Patriots is prominently displayed atop the file cabinet in the office of Rep. Ernie Leidiger (R-Mayer).

“I actually terms his foray into politics his “third call to duty.” Retired in 1994 from the U.S. Navy after 25 years of service, his obvious “first call” was to serve his country.

While living in San Diego, his “second call” came after the Sept. 11 attacks when the plane taking aim at the Pentagon made a direct hit on the Navy offices. “These were my classmates,” he said. After some soul-searching, he founded the nonprofit Operation Homefront to help meet the needs of military dependents.

Leidiger moved with his wife to Minnesota in 2005 to be closer to extended family. With several past business ventures under his belt, he was ready for a new one with his brother — an office furniture business. But there’s one business idea that would be a fulfillment of a dream — opening a brewery.

To beer buffs, the Leidiger name is familiar. For three generations, his family owned and operated Leidiger Brewing Co. in Merrill, Wis. His father was a brewmaster as was his grandfather, who also served in the Wisconsin State Senate.

Leidiger also got serious about politics after moving to Minnesota and became involved with the Republican Party. When former Rep. Paul Kohls said he would not seek re-election, Leidiger decided to “throw his hat in the ring.”

His view of “out-of-control government spending” includes bonding for capital projects, which he thinks is not selective enough. “Take for example the University (of Minnesota) wants to own a dairy farm to do further research. What is the state getting involved for?”

Second run’s a charm
Focused on government’s role, Lohmer hopes to make ‘significant change’

By Patty Ostberg

Rep. Kathy Lohmer (R-Lake Elmo) has been interested in local politics for years, attending Republican precinct caucuses and serving as a delegate. But it was in 2008 while her son was serving a 15-month tour in Iraq, that she realized she was willing to sacrifice too. “I was thinking about him and his friends and young people who serve in the military and what they are willing to do. … What am I willing to do?”

She was unsuccessful in her House bid that year; she ran again and her persistence paid off.

Lohmer believes government’s role should consist of basics such as national defense, roads and bridges, security and police. “In Minnesota, our constitution says education,” she said. While home-schooling her four sons, Lohmer questioned what government’s proper role should be.

Too often government oversteps its bounds in cases like the smoking ban and business regulations, she said. “Every time you turn around there’s a new law (restricting people’s freedoms). I don’t like smoking; I don’t smoke, but I don’t think it’s the government’s job to tell people who should.”

Lohmer’s district includes 10 communities. The issues vary, but include the development of the empty State Farm building in Woodbury; building a new St. Croix River crossing between Stillwater and Wisconsin; water and landfill issues in Lake Elmo; and fly ash storage in Lakeland.

Start early and stay late
For Murray, new role offers much to learn and many challenges

By Lee Ann Schutz

When Rep. Rich Murray (R-Albert Lea) goes home and opens the garage door, what he sees are car seats, strollers and a pink Corvette — child-sized.

The grandfather of 10 — all girls — says his family is the “highlight” of his life, and that he and his wife are fortunate to have their children living so close and spending time at their home. However, he doesn’t regret running for office and his new role as a legislator. He doesn’t take his election for granted. His district tends to lean DFL. But this Republican’s 57-vote margin over DFL incumbent Robin Brown held up in a recount.

“I start early, and I stay late. There is so much to learn, and I’m having a great time. I haven’t been this excited about something in a long time — other than my granddaughters,” he said.

People encouraged him for a number of years to run for office, but it never seemed like the right time. But now that he’s in the Legislature, he thinks he’s a good fit for the job.

He’s been a financial advisor for 25 years, working with small-businesses and farmers. His concerns are the same as theirs — grow jobs and balance the budget, he said.

“Those are probably the two biggest things I hear from constituents,” he said. Although the farming economy is doing well, he said the jobs in many of the local industries are low-paying and there is a lot of unemployment. With the area’s population base shrinking, he believes better and more jobs would help revitalize the communities.

Murray said “bringing fairness to Greater Minnesota” in the distribution of state resources is also an issue. The schools and nursing homes are not as well-funded as those in the Twin Cities metropolitan area, he said. “It’s huge. We have a lot of things that we need to take care of too.”

Taking part in another endeavor
Quam’s varied background will help him make the hard decisions

**By Mike Cook**
Rep. Duane Quam (R-Byron) is a person who has to be involved.

For example, he’s served on the Byron School Board; chaired the governing board of the Zumbro Education District that helps seven smaller school districts work together to deliver special education needs; he’s chaired the Minnesota State Academics Science Standards writing committee; served on a committee of the Olmsted County United Way; was active with Cub Scouts; and he’s coached youth sports.

“Right now is a dire time and people need to step up and do what they can to make a difference and improve things, fix things,” he said. “I feel I have a good skill-set to try and help make things better.”

Quam grew up on a farm and has many relatives, including his father, who still live off the land. His professional background is in physics and engineering, and that has allowed him to better understand high-tech businesses that want to expand in our state. His wife, Pat, is a first responder and he’s gotten to know many doctors over the years — getting honest feedback about some issues.

A tenet of his campaign was innovative vision.

He cites an example where he had a project that needed to get completed, but company bureaucracy and lack of capital caused a delay in acquiring the needed tools to complete the task.

“I found a place where I could rent the diagnostic test equipment,” he said. “That allowed me to maintain a schedule even though a roadblock was thrown ahead.”

To Quam, it’s always been about finding a way to get the job done.

### District 29A
- Population (2009 est.): 42,313
- Largest City: Rochester
- Counties: Dodge, Olmsted
- Top Concern: Getting the job done and making the hard decisions

“A Minnesota marketer
Stensrud believes state needs to do a better job of selling itself

**By Kris Berggren**
It isn’t surprising a person in sales would have a lot of phone numbers stored in his cell phone. Yet, even before being elected to the House, Rep. Kirk Stensrud (R-Eden Prairie) had the governor and his state senator and representative on speed dial.

A former health care product sales representative.

Stensrud called them frequently to weigh in on issues such as voter photo identification and government spending and taxation, especially as they affect the business climate.

“Let’s control the spending of our money and let’s get more value for our tax dollars,” he said.

Since 2002, Stensrud has owned a franchise of Fish Window Cleaning, which employs about 15 people. He said the economy has been tough on his customers, such as restaurants, retailers and storefront businesses, as their customers hold back on dining out or making purchases. This creates a domino effect on their ability to pay for his company’s services. He added that “zero percent” of his business last year was construction-related, compared with about 10 percent before.

He hasn’t always been involved in politics. Like many other Minnesotans, he’s been “minding my own business, paying my mortgage, saving for my kids’ college tuition.” Not quite knowing what actually went on at a political caucus, he and a neighbor attended their first one about six years ago, where he discovered the truth to the old saying that decisions get made by those who show up.

Stensrud’s House committee assignments — Commerce and Regulatory Reform, Jobs and Economic Development Finance and State Government Finance — are a good match with his personal interests. He wants the Legislature to address permitting policies and lower taxes to make Minnesota more marketable — so the state can more readily “sell” businesses on staying or growing here.

Stensrud has two sons attending college in Grand Rapids, Mich., and a daughter in 10th grade at Minnetonka High School. His wife, Wendy, is a school nurse in Minnetonka.
Monday, January 24

HF175-Fabian (R)
Public Safety & Crime Prevention Policy & Finance

U.S. Border Patrol encouraged to retain its office in Minnesota and locate its new facility in Hallock.

HF176-Buesgens (R)
Government Operations & Elections

Contract expiration governing provisions changed.

HF177-Nelson (DFL)
Higher Education Policy & Finance

North Hennepin Community College funding provided.

HF178-Downey (R)
State Government Finance

Lead By Example Act; legislator and constitutional officer salaries reduced and legislator per diem payments reduced.

HF179-Banaian (R)
Higher Education Policy & Finance

Integrated Science and Engineering Laboratory Facility at St. Cloud State University funding provided.

HF180-Peppin (R)
Public Safety & Crime Prevention Policy & Finance

Offenses committed near county lines permitted to be charged in either the county of the offense or the county of the arresting law enforcement agency.

HF181-Scott (R)
Taxes

General Fund contributions check off provided for individual income and property tax refund.

HF182-Beard (R)
Environment, Energy & Natural Resources Policy & Finance

State and local water management study required.

HF183-Kieffer (R)
Education Reform

Teacher candidates required to pass basic skills exam.

HF184-Schomacker (R)
Jobs & Economic Development Finance

Congress memorialized to appropriate money for the Lewis & Clark Regional Water System.

HF185-Schomacker (R)
Environment, Energy & Natural Resources Policy & Finance

Environmental violation monetary penalty deposit required to be redirected to General Fund.

HF186-Urdahl (R)
Veterans Services Division

Driver’s license expiration period extended while person is serving in active military service.

HF187-Dettmer (R)
Health & Human Services Reform

Legislative temporary successors provided for members called into active military service.

HF188-Hackbarth (R)
Health & Human Services Reform

Smoking prohibition exemption provided.

HF189-Ward (DFL)
Environment, Energy & Natural Resources Policy & Finance

Cuyuna Lakes State Trail funding provided.

HF190-Holberg (R)
Health & Human Services Reform

Hanna’s Law enacted by modifying cardiopulmonary resuscitation requirements for child care center staff.

HF191-Downey (R)
Government Operations & Elections

Redundant Technology Elimination Act proposed, state agency information technology systems and services consolidated, Office of Enterprise Technology duties transferred and money appropriated.

HF192-Downey (R)
Government Operations & Elections

Reinventing Government Employment Act proposed, public employee compensation freeze provided and future compensation methods determined, state workforce reduction required, state employee gainsharing system established, state contract restrictions removed and right to work constitutional amendment proposed.

HF193-Anderson, S. (R)
Government Operations & Elections

Balanced budget required prior to passage of other legislation.

HF194-Anderson, S. (R)
Capital Investment

State agencies required to track and report on the number of jobs created or retained as a result of capital project funding.

HF195-Scalaize (DFL)
Taxes

Spending tax increments deadline extended.

HF196-Liebling (DFL)
Jobs & Economic Development Finance

Rochester, Mayo Civic Center Complex funding provided for design and construction improvements.

HF197-Hackbarth (R)
Environment, Energy & Natural Resources Policy & Finance

Nonresident off-road vehicle state trail pass required.

HF198-Quam (R)
Environment, Energy & Natural Resources Policy & Finance

Olmsted County; conveyance of certain surplus state land authorized.

HF199-Gottwalt (R)
Health & Human Services Reform

Freedom of Choice in Health Care Act; freedom of choice in health care for every resident of Minnesota declared and statement of public policy provided.

HF200-Gottwalt (R)
Health & Human Services Reform

Alzheimer’s disease data collection and reporting required.

HF201-Scott (R)
Health & Human Services Reform

Abortion funding limited for state-sponsored health programs.

HF202-Runbeck (R)
Taxes

Acceleration of single sales apportionment adopted.

HF203-Westrom (R)
Civil Law

Legislative approval required for certain rules to take effect.

HF204-Norton (DFL)
Health & Human Services Reform

Autism spectrum disorder coverage required.

HF205-Petersen, B. (R)
Environment, Energy & Natural Resources Policy & Finance

Coon Rapids Dam; invasive fish barrier renovation funding provided.

HF206-Dittrich (DFL)
Education Finance

Permanent School Fund Advisory Committee membership modified.

HF207-Dittrich (DFL)
Education Finance

Mineral management cost payment prohibited from permanent school trust fund land proceeds.

HF208-Dittrich (DFL)
Education Finance

Public school’s fiber optic infrastructure grant funding provided; grant program established.

HF209-Fritz (DFL)
Environment, Energy & Natural Resources Policy & Finance

Subsurface sewage treatment system replacement and upgrade requirements modified.

HF210-Kiffmeyer (R)
Government Operations & Elections

Voter picture identification required before receiving a ballot; identification cards provided at no charge; provisional ballot procedures established; election administration procedures specified, electronic polling place required and recount procedures enacted.

HF211-Wardlow (R)
Civil Law

Unlawful or deceptive trade practice actions modified, and class action court order appeals permitted.

HF212-Wardlow (R)
Civil Law

Unlawful or deceptive trade practice actions modified, and class action court order appeals permitted.

HF213-Brynaert (DFL)
Taxes

Public safety radio equipment exemption expanded.
Wednesday, January 26

**HF214-Howes (R)**
**Taxes**
Public safety radio equipment exemption expanded.

**HF215-Rukavina (DFL)**
**Government Operations & Elections**
Virginia Fire Department Relief Association; relief association administrative consolidation authorized.

**HF216-Benson, J. (DFL)**
**Education Finance**
Referendum allowance limit eliminated.

**HF217-Benson, J. (DFL)**
**Education Finance**
Equity revenue formula modified.

**HF218-Benson, J. (DFL)**
**Education Finance**
Location equity index created, general education revenue formula modified and revenue increased for some school districts.

**HF219-Benson, J. (DFL)**
**Education Reform**
School district mandates reduced, additional flexibility allowed and fund transfers authorized.

**HF220-Hancock (R)**
**Environment, Energy & Natural Resources Policy & Finance**
Renewable energy standard obligation calculation definition modified.

**HF221-Hosch (DFL)**
**Transportation Policy & Finance**
Paynesville Airport; bypass project funds provided.

**HF222-Gottwalt (R)**
**Commerce & Regulatory Reform**
Health plans guaranteed issue in the individual market required; Minnesota Comprehensive Health Association reinsurance of ceded risk on certain health plans required and additional enrollment ended.

**HF223-Scalze (DFL)**
**Veterans Services Division**
Public assistance reporting information system use expanded.

**HF224-Kelly (R)**
**Transportation Policy & Finance**
Port development assistance program funding provided.

**HF225-Hackbarth (R)**
**Environment, Energy & Natural Resources Policy & Finance**
Northern pike experimental and special management waters limited.

**HF226-Davids (R)**
**Veterans Services Division**
Fillmore County specified as one location for a new veterans cemetery.

**HF227-Carlosn (DFL)**
**Government Operations & Elections**
Balanced budget required for an additional bimonthium.

**HF228-Carlosn (DFL)**
**Education Finance**
Seatbelt requirements amended for procurement of school buses.

**HF229-Downey (R)**
**Judiciary Policy & Finance**
Judges authorized to prohibit juvenile sex offenders from residing near their victims.

**HF230-McFarlane (R)**
**Education Finance**
Alternative teacher pay calculation modified for intermediate school districts.

**HF231-Rukavina (DFL)**
**Jobs & Economic Development Finance**
Unemployment insurance eligibility modified for children of business owners.

**HF232-Kriese (R)**
**Veterans Services Division**
Gold Star license plates eligibility expanded to surviving legal guardians and siblings.

**HF233-Sanders (R)**
**Health & Human Services Reform**
Department of Human Services required to issue a request for proposals for a Medicaid fraud detection and business intelligence contract.

**HF234-Davids (R)**
**Taxes**
Rochester; local sales tax revenues allowed uses modified.

**HF235-Holberg (R)**
**Health & Human Services Reform**
Hannah’s Law enacted by modifying cardiopulmonary resuscitation requirements for child care center staff.

**HF236-Anzelc (DFL)**
**Health & Human Services Reform**
Licensed well contractor exemption expanded.

**HF237-Murphy, E. (DFL)**
**Health & Human Services Finance**
Established, report required and money appropriated.

**HF238-Francis (R)**
**Health & Human Services Reform**
Electronic benefit transfer card restrictions and requirements established, and MFIP residency requirement amended.

**HF239-Murphy, E. (DFL)**
**Health & Human Services Reform**
Clearwater County; ICF/MR facility daily rate increased.

**HF240-Dettmer (R)**
**Veterans Services Division**
Disabled veterans homestead market value exemption eligibility extended for surviving spouses, and qualified disabled veterans’ approved primary family caregivers included.

**HF241-Persell (DFL)**
**Taxes**
Public safety radio equipment exemption expanded.

**HF242-Persell (DFL)**
**Environment, Energy & Natural Resources Policy & Finance**
Cass Lake; spearing allowed.

**HF243-Anderson, S. (R)**
**Higher Education Policy & Finance**
Optional student fees increase vote required.

**HF244-Davids (R)**
**Judiciary Policy & Finance**
Costs and attorney fee payment provided in certain tax court actions.

**HF245-Davids (R)**
**Legacy Funding Division**
Regional arts capital fund created and funding provided.

**HF246-Hackbarth (R)**
**State Government Finance**
Oliver H. Kelley Farm Historical Site funding provided.

**HF247-Davids (R)**
**Taxes**
Income tax form voluntary state contributions provided.

**HF248-Loeffer (DFL)**
**Health & Human Services Reform**
Small Group Health Insurance Market Working Group recommendation enacted by repealing a requirement that small employers that do not offer group health coverage either offer, or file a form with the state stating a decision not to offer, a Section 125 plan through which employees may contribute wages to a pre-tax account from which to pay for individual health insurance.

**HF249-Rukavina (DFL)**
**Jobs & Economic Development Finance**
State funds used for state-funded projects required to use state- or American-made goods.

**HF250-Anderson, B. (R)**
**Civil Law**
Claims against the state provisions changed and updated.

**HF251-Lillie (DFL)**
**Veterans Services Division**
Congress of the United States memorialized to appoint an independent counsel to investigate the Prisoner of War-Missing in Action issue.

**HF252-Lillie (DFL)**
**Health & Human Services Reform**
A Chance to Grow, Inc. established as an outcome-based personal care assistance pilot project, requirements established, report required and money appropriated.

**HF253-Ward (DFL)**
**Taxes**
June accelerated tax payment repealed.

**HF254-Doepke (R)**
**Education Finance**
Independent School District No. 284, Wayzata, permitted to participate in the alternative facilities revenue program.

**HF255-Anderson, S. (R)**
**Agriculture & Rural Development Policy & Finance**
Raw milk sales permitted by farmers.

**HF256-Sanders (R)**
**Transportation Policy & Finance**
Motor carrier transportation contracts regulated and indemnification provisions prohibited.

**HF257-Bills (R)**
**Education Finance**
Early graduation achievement scholarship program created and money appropriated.

**HF258-Davids (R)**
**Taxes**
Licensed ambulance services authorized to submit claims directly to the state.

**HF259-Peppin (R)**
**Environment, Energy & Natural Resources Policy & Finance**
Mississippi River management plan modified.

**HF260-Peppin (R)**
**Commerce & Regulatory Reform**
Gasoline sales regulated below cost.

January 28, 2011
Philanthropy and giving

2008 charitable giving in Minnesota, in billions.................................$5.4
2008 charitable gifts by individuals, in billions........................................$4.02
As percentage of charitable contributions made; decrease from 2007 ........74.7
National decrease in same time period .........................................................13.7
Amount donated online by Minnesotans on Give to the Max Day (Nov. 16, 2010),
in millions.................................................................................................................$10.04
Number of Give to the Max donors.................................................................42,596
Estimated cost to raise $1 online.....................................................................$0.07
Through grant writing.....................................................................................$0.20
To acquire new donors through direct mail....................................................$1.25
Number of corporate, foundation and community grant makers
in Minnesota in 2008......................................................................................1,467
Grants/program related investments paid in 2008, in billions.......................$1.42
As percentage of total charitable contributions made; increase from 2007 ......12.3
National increase in same time period, as percentage ......................................12.3
Minnesota foundations' assets in 2008, in billions.......................................$17.30
Billions of 2007 assets......................................................................................$19.55
Percent decline in assets from 2007 to 2008 ..................................................11.5
Percent of grants awarded to human services programs and operations........26
Percent awarded to education programs and operations................................25
Number of times since 1976 education not ranked first..................................3
McKnight Foundation assets in 2009................................................................$1.89
Percentage awarded to the arts ......................................................................11.5
Percentage awarded to education programs and operations..........................11.5