

2011 Legislative Session REPORT



State Senator John Pederson

District 15

Proudly Serving:

St. Cloud,
Waite Park,
Rockville,
St. Augusta, and
Haven Township



Office:

24F Capitol,
Saint Paul,
Minnesota 55155

651-296-6455

sen.john.pederson
@senate.mn

Follow me on
Facebook & Twitter

FIRST SESSION SUCCESSES

PARKS AND TRAILS: SF 1230, Chief Author. Passed in Special Session as part of Legacy Omnibus Bill.

In efforts to create more equity between the metro and Greater Minnesota, this bill originally called for a 37-37-26 percent split of the \$38 million in annual State Park and Trail Legacy funding (from the Legacy amendment passed in 2008, which created constitutionally dedicated funds for clean water and land).

However, by the time it came out of conference committee the percent was changed to a 42-38-20 split (38 percent to State Parks; 42 percent Metropolitan Parks; and 20 percent to Regional Parks). Still, this is far

“There will be more funding going to regional parks and trails administered by local jurisdictions in Greater Minnesota than there has been for 30 years.”

Chuck Wocken
Stearns County Park Director
in the *St. Cloud Times*

fairer than how the money was divided last biennium, which saw 43 percent to State Parks; 43 percent to Metropolitan Parks and 14 percent to Regional Parks. Indeed, the overall appropriation is a great victory for regional parks and trails. Last biennium, the Regional Parks and Trails fund exclusive to greater Minnesota received \$8.9 million from the constitutionally dedicated legacy funds. *For the next funding cycle we secured almost double that for greater Minnesota- \$15 million; again, all from those constitutionally dedicated funds (no effect on income taxes). With over 106 parks in greater Minnesota, this funding is vital to keeping regional parks beautiful.*

We were also able to reduce the local match requirement for Park & Trail Legacy grants from 25 to 10 percent for the first year, which “will allow many more Greater Minnesota cities and counties to put forth projects in urbanizing areas of the state and connect Minnesotans to the outdoors.” (Chuck Wocken)

SCSU INTEGRATED SCIENCE AND ENGINEERING LAB: SF097, Chief Author. Passed in special session as part of the Bonding Omnibus Bill.

Another bonding measure, this bill asks for \$42 million to be appropriated from bond proceeds for the design, construction, furnishing, and equipping of an Integrated Science and Engineering Laboratory Facility on the campus of St. Cloud State University. Such an undertaking is monumental, and I would like to extend my sincerest gratitude to all those who have championed this cause in the past.

I believe this new facility will draw students from all over the world, providing St. Cloud State University with a state-of-the-art facility to compete in a global economy. Again, I am so grateful to all those who’s hard work and dedication has made this possible, including fellow (past and present) legislators and all the staff at SCSU.



Drawing of the Integrated Science and Engineering Laboratory Facility. Courtesy of Rafferty Rafferty Tollefson Lindeke Architects

FIRST SESSION SUCCESSES: *Continued*

SF 114: My first bill to pass committee and to be *signed by the Governor!* It sought to fix an unemployment error from a bill passed last year, and will keep Minnesota's jobless eligible for 13 weeks of extended federal unemployment benefits through the end of the year. The initiative also permits unemployed adult children of business owners to collect unemployment benefits under the same eligibility rules as other unemployed employees.

It required quick action in order to meet a federal deadline that makes Minnesota eligible for some federal funds that were available. I am thankful for the efficiency from the legislature and administration on this issue; it was truly a privilege to work on this bill with the Governor's office. In the senate it passed 62-0, and in the House only 3 people voted against it.

The bill has several other positive components as well. Most notably, it has no affect on the general fund and does not contribute to individual's tax liability. It simply allows Minnesota to access some federal benefits that were available for our workers, and was *signed into law* on March 9, 2011.

SF 1130: Another non-partisan unemployment insurance bill, it modifies some unemployment insurance laws and will save employers \$20 million in 2012. It also simplifies initial qualifying requirements for UI benefits. It passed unanimously out of the Senate; in the House the vote was 113-19; *signed by the Governor* on May 24.

SF 1265: Also *signed by the Governor* on May 24, this bill modified the current laws for professional athlete's drug and alcohol testing program provisions to help standardize them with the rest of the nation (passed unanimously in Senate).

BILL SNAP SHOTS

The following are highlights of some of the bills I worked on this session. While it was exciting to have several bills passed, I experienced disappointments with some others. I also met with many constituents to help improve other bills for which I have high hopes next year.

BUDGET SPENDING: SF1383

While Senator Julianne Ortman led the charge for this issue, many senators, including myself, signed onto it. It is a proposal for the ballot that would ask the voters if we should we amend the constitution to "limit the level of budgeted spending to 98 percent of the amount forecasted to be collected in the biennium," with the remaining 2 percent going to budget reserves. Those excess dollars would be accessible for emergencies of health, safety, and welfare. Senator Ortman stated, and I agree, "This is a positive solution for Minnesota's spending problem. State Government budgets in the 21st Century cannot maintain a 1970's tax-and-spend mentality. We should limit spending to only 98 percent of the actual funds available, which will force prioritization of spending that is long overdue."



Senator Pederson with Karen Cadigan, U of M, testifying on Early Childhood Task Force recommendations.

EDUCATION BILLS

I believe education is a cornerstone of society and made it one of my top three priorities this session. I had the privilege of working with many dedicated individuals in our school district on certain legislation. Indeed, the school board members and superintendent were a great resource and I was glad to help however I could.

Fund Transfer Bill: SF 564

I chief authored this bill on behalf of ISD 742. It asked the legislature to allow the school district to transfer funds from the debt service fund, which has a surplus. Doing so would allow some amount of relief for ISD 742 in its budgeting. I will continue to work on this issue.

Early Childhood Education: SF 901

This bill relates to early childhood services and programs for full kindergarten readiness. It was heard in the Education Committee, but during the hearing process we needed to amend it in order to mitigate some unforeseen costs. We heard much testimony in favor of the bill and received bi-partisan support. As the committee was running short on time, the bill was laid over for further consideration. I plan on taking this up again next session.

Special Ed Mandate Relief: SF 1291

I proposed SF 1291 after meeting with special education administrators (MASE) who I believe want the best for children with disabilities. The main intent of SF 1291 is to reduce the amount of paperwork, administrative burdens, and unnecessary mandates forced on special education teachers so that they have more flexibility and time to serve their students. I received a lot of concerned emails regarding this bill, and since have met again with a special education administrator. I will continue to meet with all interested to parties to craft a bill that is in everyone's best interest.

ENVIRONMENT BILLS

All of these bills were included, in some form, in the Environment and Natural Resources Omnibus bill that passed during special session. Overall, the Environment bill funds priorities without any fee or tax increases. Specifically regarding the provisions I authored, I believe they are positive reforms. They include:

Water Streamlining: SF 196

This bill was modified from its original form, but still carries the cardinal purpose of reforming state government. It calls for the PCA to evaluate state and local water-related statutes, rules, and governing structures to streamline, strengthen, and improve sustainable water management. The commissioner shall report on the evaluation by January 15, 2013.

Tree Nurseries: SF 364

While somewhat controversial at first, in efforts to compromise it was amended to alleviate some of the more concerning aspects. I still believe this bill is a positive reform. It saves the state money by forcing the commissioner of natural resources to submit a long-term business plan to make the state owned nursery self-sufficient.

Lake Pepin: SF 161

Another provision I chief authored, this will require Minnesota to coordinate our phosphorus standard for Lake Pepin with Wisconsin. This will reduce costs for local municipalities that operate waste water treatment plants.

In the midst of all the stress and chaos that defines session I was offered some wonderful reprieves via visiting constituents. A few highlights:



A visit from the
**Central Minnesota
Boys and Girls Club**
and
**St. Cloud Christian
School!**

**THANKS
FOR
VISITING!**



Highlights of the Fiscal Year 2012-2013 General Fund Budget

HEALTH CARE: *Slows the massive growth in the fastest growing area of the state budget by cutting waste and demanding accountability, redirecting spending to needs like nursing homes and the disabled, and focusing on personal responsibility.*

- Reduce the cost curve in health and human services spending from a projected increase of 22% in the next biennium to 4.8%
- Phase-out with complete repeal of the 2% MinnesotaCare Provider Tax in 2018. This has a projected savings estimate of \$10 billion over ten years
- Defined contribution program to provide a subsidy for adults without children at above 200% federal poverty guidelines in MinnesotaCare to purchase private health care coverage. This is a significant step, as it allows this portion of MinnesotaCare to accept personal responsibility for their own health care and enroll in the private market.
- Welfare reform that strengthens eligibility requirements and enhanced restrictions to prevent fraudulent use of electronic benefit transfer (EBT) cards

• There are no rate reductions to nursing homes, and actual increases to small, rural nursing homes and pharmacies

EDUCATION: *New funding in largest budget area is connected to reforms, a phase-out of uneven integration revenue, a stronger focus on reading at a young age and state mandate relief for school districts.*

- \$50 added to the per-pupil funding formula in each year of the biennium
- Special education increased with inflation
- Teacher and principal evaluation connected to student test scores
- Repeal of the January 15 negotiation deadline and penalty

TAXES: *Overall, provides tax relief to homeowners and small businesses.*

- Provided tax incentives for job creation focused on development of data centers
- Increase of \$30 million for Property Tax Refund
- Local government aid held at FY10 levels for all cities with permanent statutory reductions

- Lowered estate tax to allow small businesses and farms to stay in the family
- Market Value Homestead Credit converted to Market Value Homestead Exclusion
- Included federal taxes paid in future state tax incidence studies to better understand total tax burden of Minnesotans

STATE GOVERNMENT FINANCE: *Reforms made to state agencies lay the foundation for long-term cost savings and start to change how state government operates and delivers services.*

- Reduced funding for constitutional offices, the legislature, and state agencies by 5%
- Increased spending for Veterans Affairs and Military Affairs by 2.7% and 6% respectively
- Required E-Verify citizen status check to be used by all businesses that contract with the state
- Established a Sunset Advisory Commission to review state agencies, improve operations, and consolidate programs

(continued)

- Linked state employee pay to performance, with salary increases subject to sufficient ratings
- Issued up to \$10 million in appropriated bonds through MN Management & Budget in a "pay for performance" pilot project with cost efficient non-profits
- Audits to verify dependent eligibility in the state employee health insurance program
- Strategic sourcing to ensure efficiencies in government purchasing
- Tax analytics and business intelligence to better collect state taxes and debts

HIGHER EDUCATION: *Capping tuition increases and setting performance benchmarks were two ways of reforming growing funding issues in the higher education division. Funding increase were directed to students on need-based grant, child care, and work-study programs.*

- Tuition cap of 4% at MnSCU two-year institutions in 2013 with both U of M and MnSCU being required to meet performance benchmarks to receive a portion of their funding including: more students taking online courses, increasing completion rates, and increasing 4-year and 6-year graduation rates

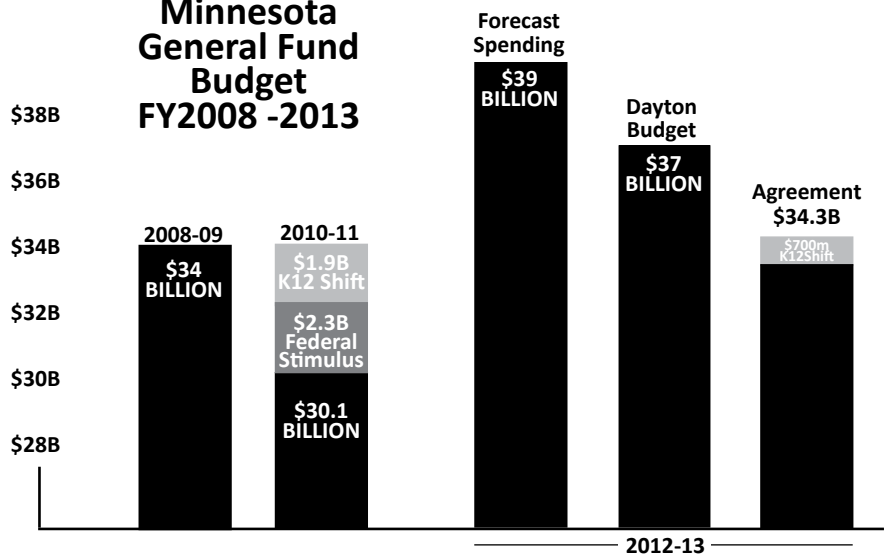
JOBS AND ECONOMIC DEVELOPMENT: *Moving away from bureaucratic earmarking and targeting funding to start-ups and jobs programs.*

- Increased funding used to offset previous reductions to employment and housing programs for the extremely poor, mentally ill and disabled
- Key investments in economic development funds that help Minnesota compete with other states when attracting new businesses
- Workforce Development Competitive Grant Program to achieve accountability and outcomes for state dollars invested in grant programs for business development and adult services

JUDICIARY/PUBLIC SAFETY: *Considering common sense and ability to pay.*

- Minimized reductions to core constitutional services like courts, cops and corrections
- Require prison inmate co-pay for inmate-initiated health care visits, and made reforms that allow judges to look at a person's entire financial picture and require appropriate payment for these services as clients are able to pay in indigent lawsuit situations

Minnesota General Fund Budget FY2008 -2013



- Saves counties money by allowing them to reimburse costs of medical services to local prisoners at the Medical Assistance rate, rather than the negotiated provider rates
- Provide Safe Harbors to juveniles sold into prostitution and sex trafficking by treating them as victims, not criminals

TRANSPORTATION: *A fiscally responsible bill that balance demands of whole state.*

- Funding focuses on preserving current transportation and transit systems
- Improves transit financing and transparency by requiring transit corridor planners to provide the total cost of proposed transit system, including capital and long-term operating expenses

ENVIRONMENT, ENERGY AND NATURAL RESOURCES: *As mentioned previously, this bill provides flexibility to maintain Minnesota's strong tradition of outdoor heritage and funds priorities including emerging issues such as aquatic invasive species and chronic waste disease (For specific provisions I chief authored, see Environment Bills.)*

AGRICULTURE: *Prioritizes funding to maintain integrity and safety of food supply.*

- No reduction in funding for retail food handling and meatpacking inspections
- Phases out ethanol producer deficiency payment after FY2012

BONDING: (\$497 million, condition of Governor to end shutdown)

- Projects targeted at roads and bridges, infrastructure, higher education facilities and flood relief

PENSIONS & RETIREMENT:

- Contained fund sufficiency measures for the Duluth and St. Paul teacher's retirement funds
- Established a defined-benefit coverage default for MnSCU employees with combined annuity service
- Merged the Minneapolis Police and Fire Relief Associations with PERA – Police and Fire.

Not Printed at government expense.
Paid for by Pederson for Senate.



State Senator John Pederson

75 Rev. Martin Luther King Jr. Blvd.
Capitol 24F
St. Paul, MN 55155

651-296-6455

sen.john.pederson@senate.mn

Follow me on Facebook & Twitter