



Legislative Notes April 4, 2008

State Update

Bonding bill is in the governor's hands

Lawmakers moved quickly this week to pass a bonding bill. Both bodies took up the conference committee report on the floor, and after more than three hours of debate, the House passed the bill by a vote of 90-42, and the Senate passed the bill 57-10. The bill is now on the governor's desk, and he has three days to either sign the bill, do a line-item veto, or veto the entire bill. We should know the governor's decision by Monday.

The total amount of the bonding bill is \$925 million. Finance Commissioner Tom Hanson has said the governor believes the bill total is too large by approximately \$100 million. The state's debt guideline of 3 percent of the general fund would call for a bill of \$825 million, Hanson said. While the guideline is not a statutory mandate, it is a policy the state adopted decades ago and has stuck by through numerous finance commissioners, he said. Rep. Loren Solberg, DFL-Grand Rapids, said the bill includes language directing the department to continue with the 3 percent guideline in future bonding bills. There is a case to be made for having a large bill now and smaller bills in the future, House bill author Alice Hausman, DFL-St. Paul. She noted that a large bonding bill will help the economy by creating construction jobs, and the state can take advantage of lower prices now rather than pay more for these projects later. Regardless of estimates for future bonding bills, Senate bill author Keith Langseth, DFL-Glyndon, said he did not think the 3 percent guideline would be broken with this bill.

Specifically for the Minnesota State Colleges and Universities, the bill provides \$280.9 million (including user financing), of which \$55 million is for HEAPR. Please see the attached updated side-by-side with the details of each project, as well as a HEAPR spreadsheet for \$55 million.

A link to the full bill can be found at

<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=ccrhf0380.html&session=ls85>

The spreadsheet for the full bill can be found at

<http://www.house.leg.state.mn.us/fiscal/files/bond08.pdf>

Supplemental budget bill approved in early morning hours

The other major piece of legislation lawmakers focused on this week was the supplemental budget bill. The House debated the bill Thursday in a marathon floor session. After more than 14 hours of debate and 62 amendments, the House passed the bill by a vote of 83-49 at nearly 2:30 a.m. The Senate took up its version of the budget bill and passed it on a voice vote. The next stop for the bill is conference committee to iron out the differences.

Specifically for the Minnesota State Colleges and Universities system, the House bill includes a cut of \$6.17 million, and the Senate bill includes a cut of \$6.5 million but would reallocate \$1.5 million of that amount for other specified purposes.

Chief author of the House bill, Rep. Lyndon Carlson, DFL-Crystal, said of the bill, “There are no general tax increases in the proposal, and we keep our commitments to schools, health care and college students.” Sen. Richard Cohen, DFL-St. Paul, the chief author of the Senate bill said, “It is our constitutional responsibility to balance the budget, and the bill before you is a reasonable way to resolve the shortfall.”

Office of Legislative Auditor approves evaluation topics

The Legislative Audit Commission met late last week and directed the Office of the Legislative Auditor to evaluate seven topics including the Minnesota State Colleges and Universities occupational programs. The topic selection background paper states that given the concerns raised in previous reports and by unions more recently, the commission thinks an examination of Minnesota State Colleges and Universities occupational programs, particularly those in the building trades, would be useful. You may view the complete background paper at www.auditor.leg.state.mn.us/announce/BP-MnSCU%20Occupational%20Programs.pdf.

Declaration of Independence coming to Minnesota

Minnesota Secretary of State Mark Ritchie announced that one of the original 25 copies of the Declaration of Independence will come to Minnesota this spring as part of the state’s Sesquicentennial Celebration. The original document, plus two handwritten copies of the Minnesota State Constitution, can be viewed May 6-17 at a Minnesota Historical Society in St. Paul.

Governor Pawlenty to lead Education Commission of the States

Gov. Tim Pawlenty will lead the Education Commission of the States 2008 Forum on Education Policy in Austin, Texas, this summer. Leaders from all levels of education will meet to discuss how to improve public education throughout the country. This commission is an interstate compact created in 1965 to improve public education by facilitating the exchange of information, ideas and experiences among state policymakers and education leaders.

Federal Update

Congressman Oberstar to speak on transportation

The University of Minnesota Center for Transportation Studies will host the chair of the Congressional Transportation and Infrastructure Committee, Congressman Jim Oberstar, D-Minn., on April 7 for the seventh annual Forum on Transportation Policy and Technology. Oberstar will give a presentation entitled “Transformation of National Transportation Policy for the 21st Century.” Congressman Tim Walz, D-Minn., who serves on Oberstar’s committee, also will speak. You may learn more about the forum at www.cts.umn.edu/Events/OberstarForum/2008/. A brochure and registration form can be found at www.cts.umn.edu/Events/OberstarForum/2008/documents/2008OberstarBrochure.pdf

ACTION Act gains momentum

The American Competitiveness through International Openness Now Act of 2008 (S. 2653) introduced by Sen. Norm Coleman, R-Minn., and Sen. Jeff Bingaman, D-NM, is gaining momentum. The ACTION Act addresses many of the challenges international students, scholars, scientists, exchange visitors and business travelers face when trying to study, conduct research or attend scientific conferences in the United States. The bill:

- Establishes a U.S. government-led strategic plan to attract international students and scholars, as well as eminent scientists and exchange visitors to the United States.
- Removes the 214(b) non-immigrant intent provision for international students in the F visa category.
- Adds greater certainty and transparency to the visa security clearance process for scientists.
- Creates a "Trusted Traveler" program to allow for expedited visa review for frequent, low-risk visitors and for international students and scholars who have left the United States temporarily and are seeking a renewal to re-enter and continue their program.
- Allows for short-term study on a B (tourist) visa.
- Amends Real ID provisions to allow legitimate international students, scholars and exchange visitors to receive a driver's license valid for the length of their approved activity.
- Provides "cap gap" status for international students who are changing from F-1 to H-1B status when the H-1B cap has been reached before the beginning of the next fiscal year.
- Restores a state-side visa revalidation program for certain employment-based visas.

Here's What's Happening at the Capitol:

This schedule shows all meetings that we are aware of at the time of publication that MAY have an impact on the system. This schedule may change. Please watch the House and Senate schedules posted on the Legislature Web site (www.leg.state.mn.us).

Monday, April 7

12:30 PM

House Meets in Session

1:00 PM

Senate Meets in Session

Tuesday, April 8

9:00-1:00 PM

Legislative Commission on Pensions and Retirement

Room: 5 State Office Building

Chair: Representative Mary Murphy

Agenda: 1. H.F. 3421 (Murphy, M., by request); S.F. 2969

(Betzold): Minnesota Post Retirement Investment Fund; Revisions and dissolution procedure.

2. H.F. 3798 (Murphy, M., by request); S.F. 3324

(Betzold): MSRS, PERA, TRA; Benefit-related and administrative provisions.

3. H.F. 1001 (Carlson); S.F. 1238 (Rest): Teacher plans;

Reemployed annuitant earnings limitation amount increased for part-time and substitute teachers.

4. H.F. 3415 (Pelowski); S.F. 3531 (Larson): Teacher plans; Providing for phased retirement from teaching.

5. H.F. 3436 (Nelson); S.F. 3136 (Betzold): MSRS;

Modification of state employee postretirement options program.

6. H.F. 3938 (Murphy, M., by request); S.F. xxxx:

Volunteer firefighters; State Auditor's volunteer fire working group recommendations.

7. H.F. 3895 (Murphy, M.); S.F. 3630 (Saxhaug): Volunteer firefighters; Statewide lump sum volunteer firefighter retirement plan.

8. H.F. 3715 (Nelson); S.F. 3325 (Betzold): Volunteer firefighters; Increase maximum service pension amounts.

9. H.F. 4117 (Holberg); S.F. 3803 (Pariseau): PERA-P&F;

Increasing total and permanent duty disability benefits in short service situations.

10. H.F. 3799 (Murphy, M., by request); S.F. 2998

(Betzold): MSRS, PERA, MERF; Retirement annuity voluntary membership dues deduction.

11. H.F. 3764 (Thissen); S.F. 3506 (Larson): MFRA;

Additional cost-of-living unit upon 110% funding; modify investment-related postretirement adjustment.

H.F. 3385 (Thissen); S.F. 2982 (Larson): MFRA; Additional cost-of-living unit upon 110% funding.

12. H.F. 3744 (Thissen); S.F. 3532 (Larson): Local P&F; Reallocation of additional amortization aid for consolidated local police and fire relief associations.

13. H.F. 4131 (Smith); S.F. xxxx: PERA-P&F; Providing a one-year exemption from reemployed annuitant exempt earnings limits for Metropolitan Airports Commission police officers.

Other items as designated by the Commission chair

3:00 PM

Senate Committee on Energy, Utilities, Technology and Communications

Room: 123 Capitol

Chair: Sen. Yvonne Prettner Solon

Agenda:

Confirmations of Public Utilities Commissioners David Boyd, Phyllis Reha and J. Dennis O'Brien

Presentation of Carbon Capture and Sequestration Reports

Presentation of Energy Savings Report

Wednesday, April 9

9:00-1:00 PM

Legislative Commission on Pensions and Retirement

Room 5 State Office Building

Chair: Representative Mary Murphy

Agenda: 1. H.F. 2725 (Hansen); S.F. 2467 (Metzen): PERA-P&F;

Revise annuity to provide joint-and-survivor coverage to a divorced spouse following death of retiree.

2. H.F. 3567 (Shimanski); S.F. 3150 (Dille): PERA; Waive separation of service requirement for certain independent contractor.

3. H.F. 3508 (Hausman); S.F. 3188 (Anderson): PERA; Service credit purchase by St. Paul employee.

4. H.F. 1180 (Hausman); S.F. 1877 (Anderson): MFRA; Special eligibility for surviving spouse benefits.

5. H.F. 3358 (Howes); S.F. 3640 (Olson, M.): MSRS-G; Service credit purchase, DNR intermittent employment.

6. H.F. 228 (Paymar); S.F. 266 (Cohen): PERA; Service credit purchase, St. Paul school board member.

7. H.F. 3673 (Murphy, M., by request); S.F. 3266 (Prettner Solon): DTRFA; Rule of 90 benefit tier extension to post-1989 hires.

H.F. 3927 (Thissen); S.F. 3599 (Betzold): DTRFA; Rule of 90 benefit tier extension to post-1989 hires.

8. H.F. 627 (Kranz); S.F. 648 (Betzold): TRA; Age 65 normal retirement age and rule of 90 extension to post-1989 members.

H.F. 547 (Wardlow); S.F. xxxx: TRA; Age 65 normal retirement age and rule of 90 extension to post-1989 members.

9. H.F. 3926 (Thissen); S.F. 2997 (Betzold): TRA; Rule of 90 benefit tier extension to post-1989 hires.

10. H.F. 3925 (Thissen); S.F. 3598 (Betzold): SPTRFA; Rule of 90 benefit tier extension to post-1989 hires.

11. H.F. 4109 (Murphy, M.; by request); S.F. xxxx: IRAP/Teacher plans; Permit certain higher education IRAP members to elect defined benefit plan coverage.

12. H.F. 2170 (Kahn); S.F. 2153 (Olson, M.): MnSCU IRAP and supplemental plan limit on administrative expenses and required unclaimed account procedures.

13. H.F. 1954 (Kahn); S.F. 2152 (Olson, M.): MnSCU; Roth accounts as thrift/ savings option.

14. H.F. 1953 (Kahn); S.F. 2154 (Olson, M.): IRAP/TRA; Transfer of membership by certain MnSCU faculty members.

15. H.F. 3223 (Mahoney); S.F. 3054 (Tomassoni): MSRS-General/Unclassified; Revise plan coverage options for certain legislators, elected state officials, and judges; permit election of general plan coverage.

H.F. 1331 (Murphy, M., by request); S.F. 920 (Betzold, by request): MSRS-General/Unclassified; Revise plan coverage options for certain legislators, elected state officials, and judges; permit election of general plan coverage.

16. H.F. 3743 (Nelson); S.F. 3375 (Dahle): School district tax-sheltered annuity vendors collective bargaining requirement

Other items as designated by the Commission chair