



STATE SENATOR TOM NEUVILLE

SERVING SENATE DISTRICT 25
RICE, LE SUEUR, SIBLEY, AND SCOTT COUNTIES

Newsletter from the Desk of Senator Tom Neuville Issue 2007 – 2 (February 26th, 2007)

ARE THEY SEEING THE SAME BUDGET NUMBERS WE ARE?

This past Wednesday the State Department of Revenue released their February budget forecast, giving lawmakers an updated estimate of revenues available to pay for the various spending proposals currently working their way through the Legislature.

The numbers were essentially unchanged from last November's budget forecast, and now we have a realistic understanding of the "means" we have to live within. There is approximately a \$1 billion surplus of "one time" money left over from the last biennium which cannot be spent on anything with "tails". In other words, it must be used for items that are paid for once, such as infrastructure improvements or tax rebates, and not for items that require annual or biennial payments, such as K-12 funding. In addition, there is approximately \$2 billion of surplus money available for permanent spending.

Following the budget forecast announcement, the Senate DFL held a press conference that claimed that, adjusted for inflation, there is no surplus. Their comments hint that they don't think that a \$2 billion surplus is enough to pay for all of their spending proposals. It will be interesting to see if they scale back their campaign promises or propose significant tax increases in order to fund them.

For my part, I am urging fiscal restraint in the budgeting process. The power of economic growth was experienced when Minnesota's economy grew the state budget out of a \$4.5 billion deficit almost five years ago to the current \$2 billion surplus – without raising taxes.

Most lawmakers agree that, while the economy has been growing, we are facing some uncertain economic times. Now isn't the time to raise taxes, which will stifle growth. We must instead find a healthy balance between funding our priorities in moderation and maintaining a healthy economy.

TAKING THE SHOCK OUT OF COLLEGE STICKER PRICES

Measures seeking solutions to rapidly increasing tuition charges at colleges and universities were presented and considered for possible action in the near-future by the Senate's Higher Education Budget and Policy Division.

Senate Files 456 and 598 would establish a "guaranteed tuition" approach that has been implemented in other states and utilized by a number of nonpublic campuses. Under these bills, students entering the University of Minnesota (UMN) or the Minnesota State Colleges and Universities (MNSCU) system would be charged the same tuition for up to five years as long as they remained continuously enrolled. Only an

inflationary adjustment would be permitted, which would be considerably lower than recent tuition increases that have reached double-digits.

Another more direct approach was offered under Senate File 533, which would simply cap tuition increases for all UMN and MNSCU students at three percent each year. Two years ago, a similar cap was approved by the Senate, but it was ultimately not enacted into law. Senate File 533 was promoted as allowing students and families to "catch their breath" after dealing with significant tuition hikes one right after another in the past several years.

And veterans of the armed services would be offered a Minnesota "GI" bill to back-up the federal effort that was begun after World War II and that has successfully assisted millions of veterans in obtaining a college degree. Both Senate File 408 and the Governor's budget plan (Senate File 575) create this state's own GI bill to ensure that if veterans exhaust all existing benefits they won't fall short of finances to complete their post-secondary education.

SPECIAL FUNDING REQUESTS FOR SPECIAL EDUCATION

School administrators and parents of special education students expressed their interest in significantly expanding special education funding for public schools during a meeting of the Senate's E-12 (early childhood through grade 12) Budget Division. According to proponents of spending nearly one-half billion dollars more on special education (Senate File 762), such action is necessary because state and federal support has not been keeping up with the steep increases in costs for these students.

Besides the new appropriations that would be made in the current budget cycle, Senate File 762 would create "growth factors" to ensure that similar increases would take place in future years as well. The Senate's majority party leadership seemed to endorse making this area of the budget the main priority for the Legislative Session although doing so would consume one-quarter of all available funds and would not provide any new funds for regular classroom expenses. Senate members of the E-12 Budget Division followed their pattern of taking testimony on the issue but setting aside legislation for definitive action at a later date.

STATEWIDE SMOKING BAN MOVES ON

A statewide smoking ban again made progress this week by passing the State and Local Government Operations and Oversight Committee. This committee felt strongly about the way the bill was originally introduced and removed provisions added last week that allowed smoking in facilities with an approved ventilation system. The ventilation language was problematic because many supporters of the bill believe there is not a ventilation system available that adequately protects employees from the dangers of second hand smoke.

The "Freedom to Breathe Act of 2007" (Senate File 238), sponsored by Senator Kathy Sheran (DFL - Mankato) amends the Minnesota Clean Indoor Air Act by eliminating smoking in public places, places of employment, and public transportation. This controversial legislation has now been sent to the Rules Committee to determine if the bill will be sent to the Senate Floor or to the Economic Development Budget Division. If Senate File 238 passes the legislature, it will likely become law because Governor Pawlenty has agreed to sign the bill if it makes it to his desk.

GOVERNOR'S TRANSPORTATION PROPOSAL REVIEWED

This week, the Transportation Committee heard Governor Pawlenty's transportation budget (Senate File 541) for the FY 2008-2009 biennium, authored by Senator Dick Day (R-Owatonna). The Governor's proposal includes \$1.7 billion in trunk highway bonds to accelerate highway construction on priority

projects throughout the state. With passage of the motor vehicle sales tax (MVST) constitutional amendment question last November, the Governor recommends that a full 60 percent of the MVST revenue be used for highways. The remaining amount would be appropriated 38 percent to metropolitan transit and two percent for Greater Minnesota transit. Similar to MVST, the Governor's plan would reallocate the motor vehicle lease tax from the general fund to transportation accounts using the MVST formula. This would provide an additional \$450 million to transportation over the next ten years.

The Governor's transportation bill also uses \$100 million of the projected \$1 billion surplus in the current biennium for expedited road construction and a pilot project. Of this amount, \$95 million would increase state road construction for projects such as the Highway 169/County Road 81 interchange in Brooklyn Park. The remaining \$5 million would be used for a pilot project to study a mileage-based transportation user fee to replace the current gas tax system. Ultimately, the Transportation Committee laid this bill on the table to be part of the final Senate transportation funding package discussion.

TRANSIT CAPITAL PROJECTS STUDIED

This week, the Transit Subcommittee of the Transportation Committee passed several bills providing transit feasibility studies for corridors around the metropolitan area. \$1 million would be used to identify transportation options for the I-94 corridor from St. Paul to Hudson, WI. In another proposal, \$460,000 is spent to analyze transit service enhancements along Minnesota Highway 36 from I-694 to U.S. Highway 61 in Maplewood. Finally, \$500,000 would provide a feasibility study for light rail transit (LRT) alignments along I-494, connecting the Minneapolis-St. Paul International Airport with I-94. These proposals are in addition to eight transit corridors already included in the Metropolitan Council's 2030 Transitway System Plan. Since the Central Corridor LRT capital costs are expected to exceed \$800 million and the Hiawatha LRT line currently costs \$20 million/yr. to operate, it appears the Senate DFL is poised to adopt significant transportation-related tax increases.

COMMITTEE DEBATES CRIMINAL RECORDS

A big topic of debate in the Judiciary Committee the past week has been expungements of criminal records. Under current law, statutory expungements may be allowed in certain cases, usually those involving certain criminal proceedings that are either dropped or do not result in conviction, and final discharge of conviction and probation for juveniles who were tried as adults. However, there has been increasing concern over whether the Legislature should expand the current parameters to allow more people to have their criminal records expunged. The reasoning behind this trend is that with more people being released from prison than ever before, the number of people who are unable to get jobs or housing due to an arrest or citation in their backgrounds is growing.

In response to this problem, Senate File 294 was passed out of the Judiciary Committee after numerous amendments. This new language would increase a court's authority to order expungement for most crimes. Excluded from possible action would be those people who face current charges or who require correctional supervision. Crimes that require registration for sex offenses also would not be eligible for expungement.

In order to grant the petitioner's request, the court would have to find that based on the preponderance of the evidence, the benefits to the petitioner outweigh the public safety concerns. The judge would have to consider many factors in making his decision, such as the nature and severity of the crime committed, the petitioner's criminal record, the recommendations of any victims from the crime to be expunged, evidence of rehabilitation, any reasons in favor of expungement including attempts to obtain employment and housing, and other factors deemed relevant by the court.

If the court grants the order of expungement, the petitioner's record would be sealed to all but law enforcement and the courts. The expungement would restore the person to the legal status he had prior to

the offense. Potential employers would have no duty to discover expunged records, and employment applications would not be able to ask for information regarding expunged criminal records.