



2010 Session preview

By Senator Bill Ingebrigtsen

In these last few days before the start of the 2010 Minnesota Legislative Session, I just wanted to update you on some of the issues we will be dealing with this session. Session starts Thursday, Feb. 4, and I will have more updates as it progresses. Also, Gov. Tim Pawlenty announced this week that he will deliver his annual State of the State Address at 11 a.m. on Thursday, Feb. 11, from the Minnesota House Chamber at the State Capitol. It will be his final as two-term governor.

Balancing The State Budget

A Ramsey County judge issued a ruling in December that could cause further budgeting concerns for the Legislature by reinstating part of the \$2.7 billion budget-balancing unallotments made last year. This challenge will be reviewed by the Minnesota Supreme Court in a March 15 hearing. If the Supreme Court upholds the lower court and strikes down the Governor's unallotment authority, the whole \$2.7 billion in budget balancing will likely be undone, creating a larger budget deficit.

On the other hand, a court decision upholding unallotment may give the Governor additional options for balancing the current budget shortfall. Pawlenty has said that he would propose spending cuts before Feb. 4, so the Legislature could act quickly to make budget changes and get on with the other work of this shorter non-budget session. Our state's current operating budget contains \$1.2 billion shortfall that must be balanced by the end of session in the spring.

Economic Update

Minnesota Management and Budget also reported this month that although tax collections coming into the state continue to be down, real GDP is growing, credit is beginning to loosen and consumers are starting to spend more. But, although "this year's economic outlook is far less frightening than 2009's, economic conditions are not expected to return to normal" this year. It's a mixed message, but we'll try to find the silver lining.

Capital Investment

Gov. Pawlenty released a capital investment proposal that lays the groundwork for one of the 2010 Legislature's primary duties - to assemble and pass a borrowing (bonding) plan for maintaining state-owned facilities, preventing storm damage, and qualifying for federal dollars. Pawlenty's 2010 request included a \$685 million in general obligation bonding request, with a total of \$815 million when user-financed bonds, trunk highway bonds, University of Minnesota and MnSCU bonds, and cash amounts are included. The Governor's proposal was balanced between the Twin Cities metro and Greater Minnesota with a majority of funds designated for

programs that are available statewide.

A recent update to the state's capital investment guidelines may be the green light some legislative leaders are looking for to max out the state's credit card this spring. Last month, Minnesota Management and Budget issued new guidelines that increase the amount of allowable debt incurred by legislative borrowing. DFL majority chairman say the amount provides for substantially more debt, and that they plan to pass a \$1 billion borrowing bill early in session.

Job Creation

The state's role in creating jobs as part of an economic recovery is a larger and long-term debate. While the DFL majority in the Legislature hopes to revive a Minnesota "stimulus" that would pump state money into construction projects, others are hoping for tax cuts, angel investment tax credits, a state-backed loan guarantee, or other financial incentives designed to encourage entrepreneurs that have held back in recent months due to uncertain credit and federal banking reports.

Constitutional Spending Amendment

The Governor has proposed a constitutional amendment that will cap the state's general fund budget at the actual amount of revenue received during the previous budget period. If passed by the Legislature, voters will have a chance to weigh in on the issue in November.

Minnesota has increased the size of its budget by an average of over 17.7 percent in each biennium since 1960. Spending is expected to soar by 20 percent in two years due to unsustainable expansion of government programs. This measure would set a spending cap for the Legislature at the amount collected in the previous two-year budget period, keeping the state budget much more in line with tax collections from businesses and working Minnesotans, growing as the state's economy does. The Legislature will still retain the flexibility to debate how the spending would be allocated for education, public safety and Minnesota's other priorities. It allows for exceptions for crisis or emergencies, and tax increases in future budget periods.

General Assistance Medical Care

At the end of the 2009 session, the Governor vetoed funding for the General Assistance Medical Care program. During the unallotment process, the Governor ended GAMC funding earlier than initially proposed, effective April 1, 2010. It was decided by the Commissioner of Human Services that, upon termination of the GAMC program, those currently enrolled in GAMC would automatically be transitioned to MinnesotaCare by the Department of Human Services (DHS). Hearings have begun on a proposal to restore \$292 million of about \$396 million in vetoed GAMC funding, and would reduce eligibility, raise the hospital surcharge, and require counties to help pay the cost.

Education Funding Stability

Hopefully, the Legislature can explore new options regarding the funding formula in an effort to address the general education funding needs of our school districts and develop a more fair and equitable system. Minnesota's numerous school funding formulas have the collective effect of generating per pupil revenue differences between school districts of not just hundreds of dollars but of several thousands of dollars. It's not right to underfund "average" or "excellent" students in our area just because it's assumed that they will turn out okay when in fact these students need as much challenge and exposure to quality learning materials as anyone else if they are

to reach their potential.

Other education issues such as the "comprehensive high school assessment system" recommendations, the "Race to the Top" federal grants, school start dates, number of classroom days and separation from the federally mandated No Child Left Behind will likely be discussed.

Vikings Stadium

The Minnesota Vikings' 2009-10 season and most recent Super Bowl dream ended in overtime in New Orleans last week, but the issue of public assistance for a new stadium remains. Most Minnesotans would agree that the team is a great asset to the state, but even when riding a wave of success, at least one poll showed that voters opposed state financing of a stadium by a 2-to-1 ratio. The heart of the question legislators are faced with is whether to use public money in the financing of sports arenas for privately-owned sports teams.

While the state's budget deficit and vital issues such as school financing, health care funding and job creation will again push the stadium issue to a back burner, Vikings owners continue to press the issue. In media reports, the Vikings have said they would fund a third of an uncovered stadium (estimated to cost \$650 million). Were a roof to be added the price tag would likely creep toward the \$1 billion mark.

Although the Vikings have said they want the new stadium to be located in downtown Minneapolis, it may not deter a proposal originating from the northern Twin Cities suburbs of Anoka and Ramsey and Anoka County itself. No proposals have been finalized or presented yet, but the area was in play when the Vikings, along with the Twins and Gophers, were lobbying for stadiums in 2006.

Energy Alternatives

Expect attention to return to the growing bipartisan support to strike down Minnesota's 16-year ban on new nuclear power plants again this year. The Senate passed such a measure last year, and interestingly, President Obama said in his State of the Union speech this week: "...to create more of these clean-energy jobs, we need more production, more efficiency, more incentives, and that means building a new generation of safe, clean nuclear power plants in this country."

Minnesota receives most of its electricity from coal-fired power plants. A recently passed Minnesota law mandates that by 2025 a quarter of the state's electricity be generated by "renewable sources" like wind in order to encourage the move away from coal.

Veterans Health Care

Discussion will continue about the increasing number of veterans needing health care services, the increasing costs of long-term care and how to deliver it, and the recommendations for improvements for veterans hospitals. The Legislature will also look at recommendations for new veterans' cemeteries.

Medical Marijuana

A push to legalize certain amounts of marijuana for medical use will likely occur due to Obama Administration statements that they will not arrest or prosecute medical marijuana users and suppliers conforming to state laws.

Universal Health Care

Although Congress will continue with attempts to overhaul the American health care system, DFLers will likely continue to offer legislation to fill-in until federal plans would be able to cover intended recipients, possibly four or more years in the future.

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School payment delay sets bad precedent

By Senator Dan Skogen

Minnesota Management and Budget, formerly the Department of Finance, announced on Jan. 26 that the state will hold back school aid payments in order to pay the state's bills this spring.

While administration officials have been hinting that this could happen, I had hoped that it wouldn't. The formula the administration is using to withhold payments from school districts targets those where prudent, conservative local management produced positive fund balances. I don't believe the state should treat well-managed local districts as if they were the rich uncle to a state government that cannot manage its own finances.

If the idea to use local schools to cover the state's fiscal problems seems new, it's because it's never happened before. Minnesota Management and Budget Commissioner Tom Hanson will invoke a never-before-used Minnesota law, passed a generation ago, to cover Minnesota's negative cash balance. Statewide, total aid to be withheld in March and April is \$423 million. Locally, the impact will cost Staples \$1.3 million, or \$701 per student, and Verdale \$416,654, or \$1,155 per student."

This is the second time in less than 12 months that Minnesota school districts have faced a large cut without legislative approval. Last July, the governor unilaterally cut \$1.2 billion with the unallotment shift. Under the new plan, the state would

withhold payments once this fiscal year, which ends June 30. However, payments could be withheld again next fall when the new fiscal year is in effect. This new tactic affects 231 of 337 Minnesota districts that were forced to borrow to cover costs because of the previous shift. The average hold back is \$689 per student.

The positive cash balances in many districts' budgets aren't excess funds, either. Districts use them as cash flow accounts to ensure that funds are available to pay bills - many of which are owed to local businesses that provide goods and services to our schools. What's more, much of the money comes from property tax collections. No matter what your political leanings, I think we can all agree that the state shouldn't be trying to fix its problems on the backs of Minnesota property owners.

As everyone knows, the fiscal problems facing Minnesota this year are huge - but it's hardly the first time our state has faced a deficit. If Minnesota could go for 24 years without invoking this statute, we ought to be able to make the cuts necessary to avoid using it this year as well. A bill is being introduced to repeal this law, and pending review of the exact language, I expect to support it.

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Cons and scams exposed

By Michael D. Carr
Wadena County Sheriff

With our declining economy the way it is, I thought it important that we address crimes involving cons and scams. These types of crimes often target our growing senior population and I think it's imperative that we remain vigilant in addressing these issues.

One of the more popular "weapons of choice" today is the telephone because it provides telemarketers an easy entrance to the home and detection and prosecution is difficult. Our senior population is often targeted because they are naturally trusting and may find it hard to say "no" to a telemarketer. Keep in mind, that \$40 billion is made each year on scammers and that 75 percent of the victims are senior adults.

Many of these people may work for days or weeks setting up a victim for phone fraud by pretending to be a "friend" even claim-

ing that they are in a similar situation. They may use several voices or different people to make them sound more legitimate. They also may use real company and charity names, but don't be fooled by these people. Although there are wonderful organizations out there, they should be checked out before you donate.

Telemarketers called "list brokers" sell lists to each other or simply give them your information. A polite response would be to advise them you are not interested and to take you off the calling list. Senses play an important role. If it seems too good to be true... stick with your instincts and don't do it.

Some "tricks" you may want to be on the lookout for are:

- You must pay to win.
- You must decide right now.
- We need your credit card number now.
- Don't tell anyone.
- It will be worth the risk

in the long run or you'll regret it now if you don't.

- You're stupid if you don't do this.
- The prize or promise is in the mail.
- A relative is in jail in another state and needs to be bailed out right now. Send money right away....

Understand that there are people in our communities and throughout the world that prey on other people and don't think anything of it. Education is the key to success and it is my goal, as your sheriff, to keep you up to date with what we are seeing in law enforcement.

You will also start to get telemarketers calling you on your cell phones and the number to call to be put on the "do not call list" for your cell phone is 888-382-1222 which you must call from your cell phone. We need to work together as a team in an effort to keep our communities as well as in our homes safe.

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