



Emily Anne Staples Tuttle papers.

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12A

Sunday, March 25, 1979

## More on Minnesota's business climate

An organization of top Minnesota business executives has helped put the ongoing debate over Minnesota's business climate into better perspective. The group, known as the Minnesota Business Partnership, reported last week that Minnesota's economy is "generally healthy." And it said that the state's past economic policies have "nurtured a vigorous, entrepreneurial spirit."

Those statements are a far cry from the intemperate remarks that some businessmen were making a year ago. Then, the chairman of the Burlington Northern said Minnesota's business climate was "rotten"; he ordered a study of possible headquarters sites in other states (Burlington Northern decided to stay here). The president of a suburban company, Kallestad Laboratories, blasted Minnesota and announced plans to move to Texas (a plan he later dropped).

The Minnesota Business Partnership, an association of 48 chief executive officers of Minnesota companies, was set up last year to promote business efforts to improve the state's economic, social and cultural life. Its first project was to develop "factual, objective data" on Minnesota's business climate, compare Minnesota with 25 other selected states, and suggest ways to improve the state's "total business and social climate." The group's research, released last week, showed that Minnesota ranks high in spending for health, education, welfare, highways and other governmental services — and that its corporate and personal income taxes are high, too. There's nothing new in all that, but the specific comparisons with other states will be helpful.

The group concluded that certain tax and workmen's compensation policies deter the formation of new businesses in Minnesota, and impede the growth of existing small businesses. This will affect future economic prosperity, the group said. So it proposed various tax reductions and policy changes, most of which have been already been offered by other business groups or politicians.

Some tax adjustments and policy changes may be

desirable, but the Business Partnership has failed so far to develop its case adequately. The fact that Minnesota spends more than most states on such things as health, education and welfare doesn't prove that Minnesota is spending too much; other states may be spending too little. Minnesota's commitment to education, for example, is a vital factor in the business climate, as many corporation executives will admit.

Business Partnership members are from large companies, yet base much of their case on the need to help small business. But reducing the corporate income tax from 12 to 10 percent, as they recommend, would benefit large and small alike.

And Minnesota already has a tax formula that limits taxes paid to Minnesota by companies doing business in several states. So the greatest benefit would go to companies that do business mainly in Minnesota. But many of those businesses — like retail firms, newspapers, grocery stores, companies providing various services — aren't usually competing with firms in other states, and can pass along the present tax to their customers. Cutting their taxes wouldn't necessarily improve Minnesota's interstate competitive position significantly.

The Business Partnership should do more research on who would be helped by a corporate tax cut, and what it would mean to Minnesota's competitive position. Perhaps a tax cut is desirable, but we think the Legislature should ask for more evidence first.

The issue of business climate is decades old. In 1955, Gov. Orville Freeman named a broad-based committee headed by J. Cameron Thomson, prominent Minneapolis banker, to investigate the tax structure and the claim then that taxes adversely affected economic development. That committee could draw no firm conclusions about the significance of tax differentials in business location decisions. Nor has the Business Partnership shown that tax differentials hurt Minnesota. We hope the group finds ways to dig deeper into the business climate issue — and that it returns to its broader commitment to social and cultural concerns, too.

## An amendment for a balanced budget?

*In Washington would Jerry Brown  
A dome on deficits decree  
Where tax, the sacred levy, ran  
Through budgets measureless to man  
Down to a black-ink sea. — Anonymous.*

Inflation inspires an almost mystical search for single remedies. The most popular these days comes in a bottle labeled "Balanced Budget." Although 28 state legislatures have petitioned for a ban on federal deficits, the real impetus came this year when prominent politicians joined the campaign. California's Gov. Brown is only one of many in both parties who want to Jerry-mander such a provision into the Constitution. The idea strikes us as straightforward, popular and wrong.

Much of the initial debate dealt with the amendment process, which might require a constitutional convention where amendments for other narrow purposes could be introduced. Now the economic issues are getting deserved attention. From that standpoint alone, the country would be unwise to resurrect prohibition, this time against deficits.

Federal spending that exceeds revenues is often harmful; that has been the case lately, with rising inflation. But at other times deficits are helpful; recessions often require fiscal stimulus.

The way to reduce deficits is to make the necessary national decisions for combinations of spending cuts, tax increases or other changes in fiscal policy. A constitutional ban on deficits would add urgency to that kind of decision-making, but it would rule out important anti-recession measures when the economy swung the other way. Except

tions broad enough to permit such measures would make the amendment meaningless.

Moreover, policy-makers should be able to exercise the discretion that would be forbidden to them under a deficit ban. As economist Walter Heller points out, the relationship between deficits and inflation has varied greatly the past 60 years.

The country has experienced rapid inflation while the budget was in surplus; falling prices with deficits; rising prices with deficits; high but declining inflation while deficits were growing; declining deficits (now) with rising inflation. A rigid requirement for balancing the budget would therefore seem unlikely to cure inflation by itself.

But maybe the amendment would inspire fiscal responsibility. Advocates sometimes say that since families, cities and states balance their budgets, no less should be required of the federal government. Writing in the Wall Street Journal, Heller rightly includes such arguments in a list of "fiscal fallacies."

For example, a family that buys a house, or a state that builds a highway, often borrows to do so. Each spends more money than it has from current income. Each incurs a deficit. Like federal deficits, these accumulate into debt. Since World War II the federal debt has grown rapidly. But consumer, mortgage, corporate, local and state debt have all grown even more rapidly.

That is a disturbing trend. But a constitutional amendment outlawing federal deficits would seem a singularly inappropriate way to deal with it.

## Middle East treaty signifies end to U.S. retreat

By Joseph Kraft  
Field Newspaper Syndicate

**Washington**  
"It's Jimmy's show." Anwar Sadat said of the signing of the Egyptian-Israeli peace treaty in Washington this week. Rightly so.

For what the treaty chiefly signifies is a changing American mood. Though only tentatively so far, the United States is moving to add to the great commitments toward Western Europe and Japan a new commitment to the security of the Middle East.

The text of the treaty, to be sure, stipulates mainly performance of one kind or another by Israel and Egypt. The Israelis are to withdraw from the whole of the Sinai peninsula — including air bases, a naval base, oil fields, a couple of major towns and one important chain of settlements. The first stage of the withdrawal will be completed by the end of this year, the full withdrawal by April 26, 1982.

Egypt commits itself to accord Israel full recognition as a sovereign state, including diplomatic relations at the ambassadorial level by the end of January 1980. Both countries undertake to achieve what the treaty calls "autonomy" for Palestinians living

on the West Bank and Gaza Strip by 1985.

Inextricably mixed up with the Israeli and Egyptian pledges, however, are American undertakings. Washington has bound itself to pay much of the cost for the removal of the Israeli armed forces from bases in the Sinai to new positions in the Negev Desert.

President Carter has also agreed — at his most recent meeting with Egyptian President Sadat in Cairo — that the United States would use all its influence to make Israel afford the Palestinians a genuine free choice as to their future status, including status as an independent Palestinian state.

Carter has also undertaken to keep aid flowing from Saudi Arabia and the oil sheikdoms of the Persian Gulf to that basket case, the Egyptian economy. To that end he is introducing American forces into the Arabian peninsula in ways designed to reassure the conservative monarchies of the area.

Big gains could flow from these commitments. Even a half-success — a settlement between Israel and Egypt and enough progress toward autonomy in the Gaza Strip to show that Cairo was not letting down the other

Arabs entirely — would importantly reduce the risk of war in the Middle East.

If big momentum for a status acceptable to the Palestinians were generated, the Jordanians and eventually the Syrians might join in a comprehensive settlement. That would completely defuse what has been a major source of international political and economic danger.

By any reckoning, however, the risks of failure outweigh the chances for a happy ending. The Israelis are paranoid about an independent Palestinian state and might easily sabotage progress toward that goal. The Palestinians on the West Bank and in the Gaza Strip have followed the lead of their semi-government in exile — the Palestine Liberation Organization — in denouncing the treaty as a cover for Israeli domination, and in boycotting any moves toward "autonomy."

The PLO stand on the treaty has been backed by Syria, Iraq, Jordan, Saudi Arabia, the oil sheikdoms and most of the rest of the Arab world. The Saudis and the sheiks could easily move further away from the United States — the more so as the Iraqis and Syrians are outbidding the U.S. offer of protection by using their influence with other radical states to



## Who's got the record?

By James Reston  
New York Times Service

**Washington**

One of the paradoxes of this age of endless communications and negotiations is that the people and even the negotiators and historians are often left in doubt about what happened.

For example, with the signing of the Israeli-Egyptian peace treaty we will come to the end of one of the most astonishing chapters in the history of 20th-century diplomacy, but even President Carter, President Sadat and Prime Minister Begin have no complete record or common understanding of key elements in the treaty.

The reasons for this are fairly obvious. Many important talks on the Middle East struggle were held between Carter and Begin, or between Carter and Sadat, without anybody else present and without any recording or even summary of these conversations retained.

In other critical conversations — for example, the Carter-Sadat meeting at the Cairo Airport which is said to have produced the final compromise — Zbigniew Brzezinski of the White House staff was present part of the time and absent part of the time, and while he undoubtedly wrote his account of what was discussed and decided, the history of that dramatic event is still extremely vague.

A persuasive argument could be made for avoiding too many written documents, subject to too many different interpretations of the meanings of words in English, Arabic and Hebrew. Without a certain amount of ambiguity, maybe no agreement in the Middle East would have been possible.

Yet, it is clear from the debate in the Knesset in Jerusalem and in the statements out of Cairo in the last few days that the two sides are still far apart on the meaning of self-rule or autonomy for the Palestinians on the West Bank and the Gaza Strip. And the history of diplomacy is full of warnings about the dangers of imprecision.

call off the dogs that constitute the original threat to the security of the monarchies.

So Carter's effort could easily flop, leaving egg splattered all over the American face. But it is not as though a more promising avenue to settlement in the Middle East is open. Moreover, whatever happens in the Middle East, the treaty attests a sea-change of tremendous importance in the United States. The long drawn-out American retreat in world affairs — the impulse to crawl back into the shell which had been working fitfully since about 1968 — seems to have reached its term. America seems to be re-entering world politics in a big way.

If that is true, if the treaty is not just another false start by the Carter administration, then all the hoopla is justified. Indeed, those of us who believe that American power has been benign, that it has in fact sustained world security and world prosperity through most of the postwar era, have special cause to cheer for "Jimmy's show."

"The vagueness and fluidity of democratic policy," wrote Harold Nicolson in his classic study "Diplomacy," "is one of its salient vices... there is the tendency of all democracies (and especially Anglo-Saxon democracies) to prefer a vague and comforting formula to a precise and binding definition... Thus it often occurs that democratic governments, by couching their statements of policy in vague or ambiguous language, invite the very dangers which they wish to prevent."

"Nor is imprecision the only temptation to which a democratic statesman or diplomatist is exposed. In order that his policy may make an appeal to the ordinary man or woman, he is apt to emphasize the emotional, dramatic or moral aspects of the situation and to suppress the practical aspects..."

This is almost a precise definition of the tactics that led to the Israeli-Egyptian peace treaty. And the choice of ambiguity over precision, which Nicolson deplored, may very well — almost certainly will — lead to trouble long after Carter, Begin and Sadat have retired from the world scene.

But meanwhile these three men have given the coming generation a chance. In the end it may have been something very personal and human — that is to say, something very imprecise — that turned this 30-year tragedy around.

"The hardest question I have to answer," Golda Meir once said to me, "is when young people come to my door and ask me: 'What does it mean to be a Jew in Israel? Is it to be war for the rest of our lives? Is there to be any personal life, having our own children?'"

I heard the same theme many years ago from President Nasser and not so long ago from Sadat. What about the misery of the poor fedayeen in Egypt? Is there no way to change the question?

Well — Carter, Begin and Sadat have not come up with any conclusive answers, but despite all their past struggles, and inevitable future difficulties, they have changed the question, and have brought American power into the Middle East in defense of its principles.

This is an achievement of historic importance, however it comes out. But these three men have a responsibility to their countries and to history they have not yet fulfilled. They have not kept the record of this extraordinary chapter of history between the Jews and the Arabs, between the Middle East and the industrial world of the United States, Western Europe and Japan, or recorded the influence of the Soviet Union, China and the pan-Islamic revolution on the side.

Obviously, all the documents of U.S.-Israeli-Egyptian negotiations that led to this limited reconciliation between Cairo and Jerusalem cannot and probably should not be published. But it would be a tragedy if Carter, Begin and Sadat did not make an attempt, while it is still possible, to recover the documents and conversations that led to the compromise. Probably not for publication now, but at least for historians at the end of the century, who otherwise will never be able to understand how this long 30-year struggle in the Middle East reached the possibility of a new historical era.

## Fear with the flowers

By Robert L. King

**East Longmeadow, Mass.**  
She carries herself like a lady, but she can't take time to be polite. She interrupts my question with an insistent "No!" as if the repetition will make me go away faster. Cataract lenses enlarge the dull alarm in her eyes.

She will not accept her neighbor's package for safekeeping from the cold; she is too worried about her own safety to open her doors wide enough for a box of flowers.

Although her dog is barking and jumping against the inner door, although I am well-dressed, although my station wagon — the approved suburban car — is clearly in view on a clear, sunny day, she is afraid.

After a few years of delivering flowers at times of joy and love — Christmas, Easter, Thanksgiving, Valentine's and Mother's days — I know that what the florists claim about making people happy is true. Most people like to see me coming.

But my informal survey convinces me that an unhealthy percentage of the middle and upper classes shares the fears that supposedly characterize inner-city residents alone — the less-fortunate people who don't get long-stemmed roses in the dead of winter.

The houses I visit are chosen at random by customers, and they make up a nicely controlled sample of suburbanite, commuter families. Not exactly the methodology of social science, but not too bad either. Roughly one out of five in my group is uneasy enough to show it.

Someone who set his dream house at the end of a wooded road wounds a tree with a yellow-and-black sign, "ATTACK DOG," an obscenity at eye level on an otherwise stately fir.

A few miles away, a wolflike dog has defined his territory at chain's length, across the driveway and through the befooled snow. Head down, eyes up, he challenges me to cross his boundary.

Secure in his control, he needn't bark. I blow the horn and wait in the car for the owner to come to me. At another place, despite reassurances that the dog wouldn't bite, I left the flowers well beyond a chain's reach. Better a phony signature than a bloody hand.

I stopped opening storm doors the day I heard, in a very pleasant but unambiguous tone, "Don't touch the door until he has the dog." The dog was big enough to have one of us, and he was menacingly, or professionally, silent.

For every symbolic pineapple of welcome on streets called "Thistle-down Lane" or "Myles Standish Drive," there's a Beware-of-the-Dog sign in non-colonial colors. Split rails remain popular for show, but chain-link fences do not stop at the city limits.

At least the pattern logically extends a couple of our common metaphors. "Country retreat" and "white flight" can imply continuing warfare as well as temporary respite. A garrison colonial can have a stockade fence, a sentry dog descended from the shepherds of the K-9 Corps and an alarm system.

Some of the posted warnings, of course, are fictions; it's cheaper to buy a sign than a dog, and maybe just as effective.

The underlying reality of distrust, though, is constant.

A couple of years ago, I was forcibly hit with a chilling manifestation of our social anxiety. On the hill known in American folk music as Springfield Mountain, there's a private road off one of the winding ones that cut through the thick trees. At the end of the road in the clearing, a gravel drive nearly circles an imposing yellow house with a commanding view of Pioneer Valley. All in restrained good taste, a setting to admire.

But by the French doors in the rear, where the walk directs a visitor, is a beautifully made metal sign. I didn't pause to study its text, but I easily remember its message and its final words. "These premises," it warned, were protected by a silent gas that is not in the owner's control and that may cause "serious injury or death." The serpent in this paradise doesn't even hiss.

However far we run from urban blight, we carry the contagion with us. I've caught it myself, not to the point of getting a Doberman that kills when I tweak my ear lobe. But when a woman opens a door without knowing who's on the other side, I think she's crazy. There are chains on my doors at home.

Robert L. King teaches English at the College of Our Lady of the Elms, Chicopee, Mass.





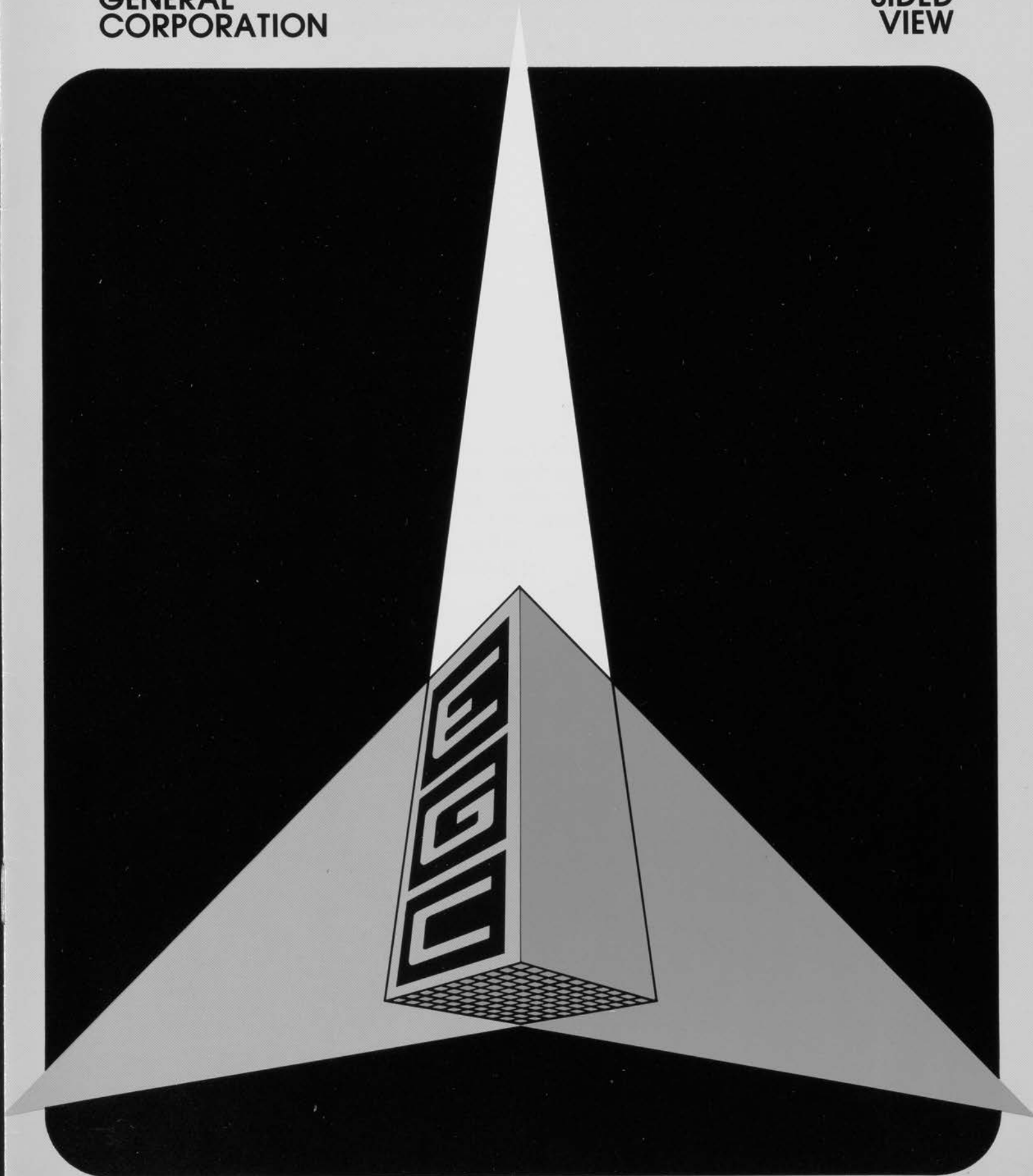
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**ELECTRO  
GENERAL  
CORPORATION**

**A  
THREE  
SIDED  
VIEW**







## Introduction

With a founding nucleus of three young electronics engineers in 1967, and the name Electro/General Corporation, it's not surprising to find that EGC is into electronics. But that's too broad a term to be definitive. So to narrow it down, let's look

at EGC from three different vantage points:

(1) How OEM customers view us, (2) how proprietary products customers view us and (3) how we view ourselves.

# How Our OEM Customers View Us . . .

## Who They Are

Our OEM customers, by and large, are manufacturers of mechanical products who know the advantages of electronics over mechanical or electro-mechanical devices on some machine functions . . . controls, counters and indicators, for example. They are people on the look-

out for ways to cut costs, ways to meet greater speed requirements, ways to effect more compact designs and ways to design more attractive features/benefits into their equipment.

## The Need for a Specialist

The ever-changing technology of electronics being what it is, these manufacturers chose to turn to a specialist to answer their needs. They have since come to rely on EGC as a high technology company with state-of-the-art capabilities ranging from (1) product inception — helping to determine what is needed — through the logical steps of (2) designing, (3) building prototypes, (4) volume production and (5) installation and servicing.



## OEM Product Activity

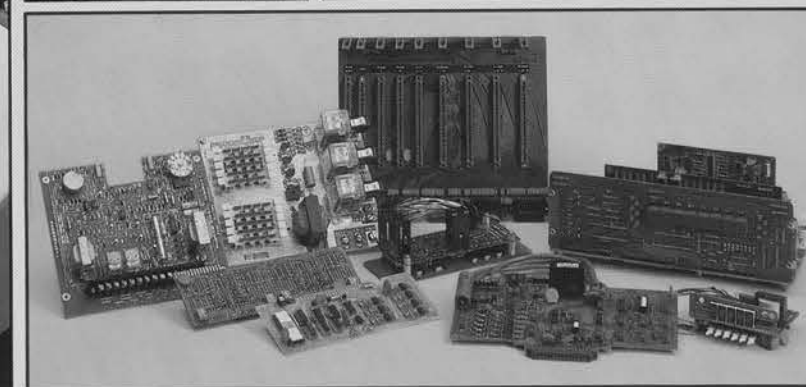
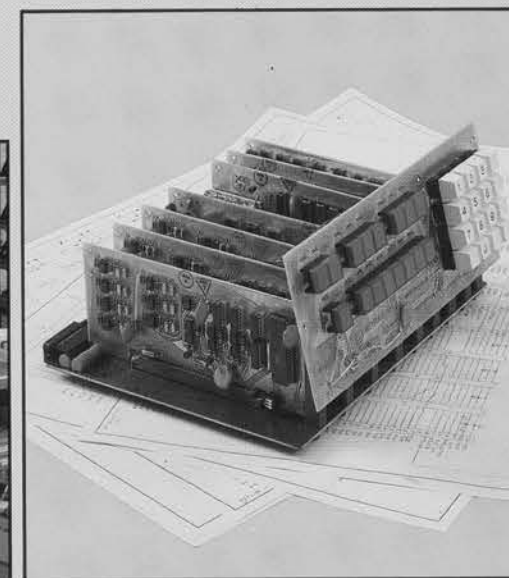
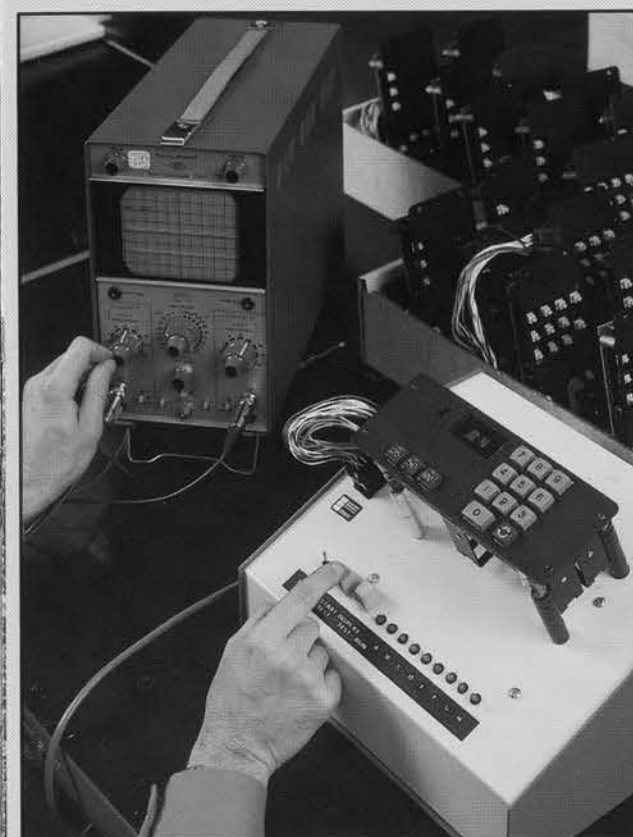
To be more specific, here's a sampling of OEM product developments where EGC has been active since 1967:

- Predetermining counters for copy machines.
- Sorters, predetermining counters and totalizers for coin handling/counting equipment.
- Access controls and totalizers for automatic bulk fuel management systems.
- Regulators for use in high-voltage industrial power sub-stations.
- Coin change dispensers.

## Customer Longevity

As with marriages, there is no such thing as the perfect customer/vendor relationship . . . one without problems. But we know from experience that where reasonable people are involved, reasonable solutions are found which ultimately strengthen such relationships.

Best evidence of this is in the repeat orders and new business we get from existing customers.





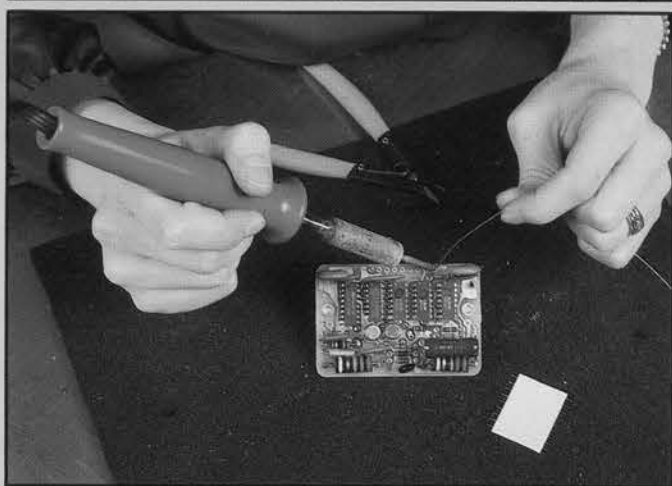
# How Our Proprietary Products Customers View Us . . .

## Who They Are

Proprietary products. That's another side of EGC and, generally speaking, customers for these products have turned to Electro/General to satisfy their needs for computer-age devices for collecting and processing large amounts of observational and usage data. They also have access to in-house or time-share computer facilities.

Throughout the manufacturing and processing industries these customers range from industrial engineers who are conducting both work measurement and non-work measurement studies, to engineers whose primary concerns are recording field data in histogram format on such applications as usage profiles, damage analysis, life prediction and condition monitoring.

Beyond industry there's a broad area of behavioral, agricultural and other kinds of scientific research where customers have come to depend on EGC for more sophisticated, more reliable ways to collect and process observational data.



## For Complete Information . . .

If your responsibilities fall generally within the areas mentioned, ask for complete details on one of the following:

### DATAMYTE 900:

Solid-state, electronic, battery-powered data collector used for both work measurement and non-work measurement studies in industry, as well as behavioral, agricultural and other types of scientific research. It not only facilitates faster, more reliable data collection but, because of its interface capabilities with computers, processed reports are available within minutes.

### DATAMYTE 400:

Solid-state, software controlled histogram processor/recorder used for field recording of analog data in histogram format according to pre-programmed instructions. It stores the data in a removable, solid state memory pack, and communicates with data readout devices in standard code.





# How We View Ourselves . . .

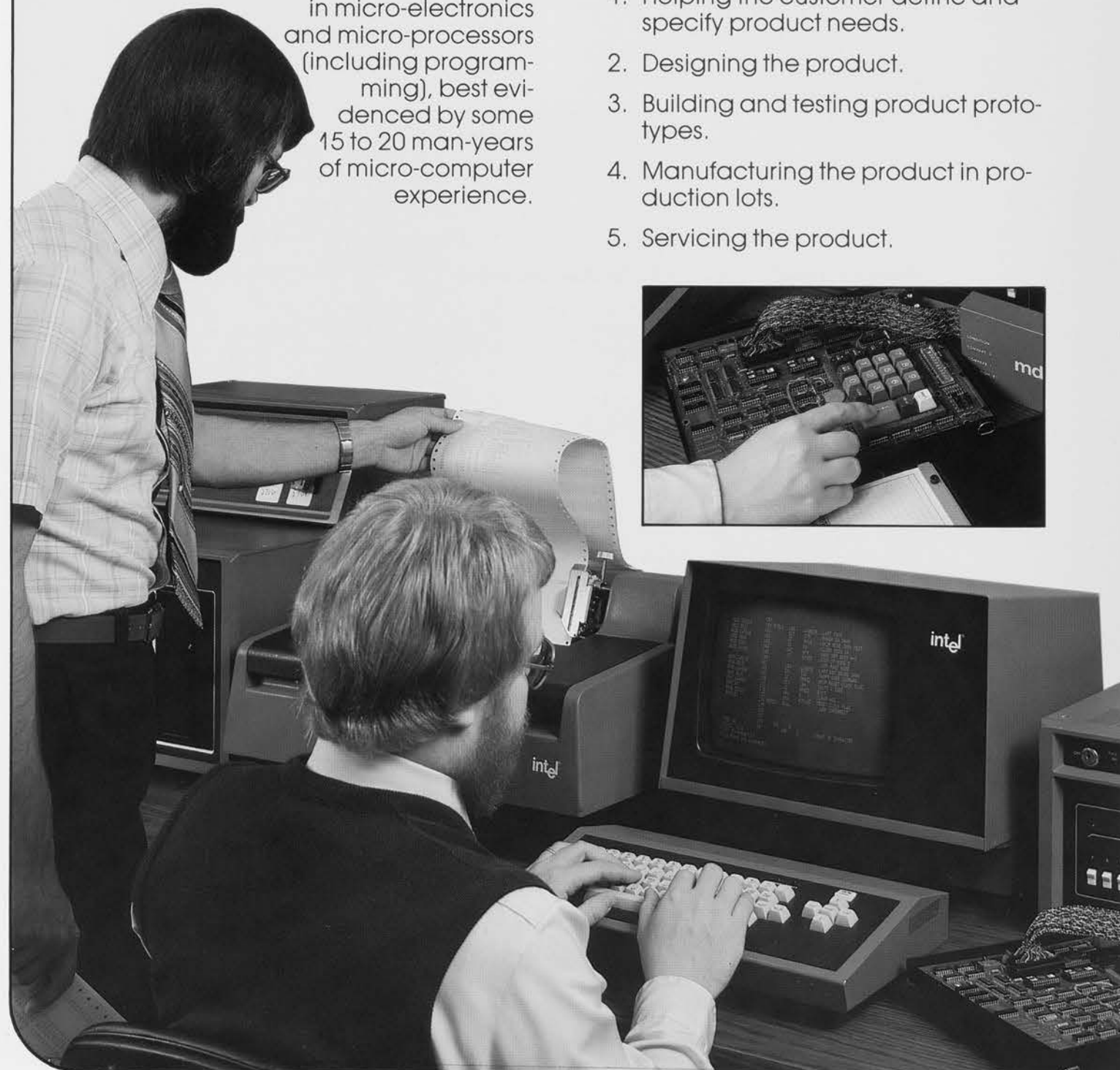
## Ideas . . . Brainpower!

Actually, our customers and what we have been able to do for them over the years have had more influence on how we view ourselves than any other factors.

Our most valuable commodity is brainpower . . . ideas . . . solving problems through electronics. To elaborate, we think of ourselves as a small-to-medium, high technology company with strong state-of-the-art capabilities in micro-electronics and micro-processors (including programming), best evidenced by some 15 to 20 man-years of micro-computer experience.

Because of the way we are staffed and structured, we prefer the challenge of a full service approach to OEM customer needs . . . all five areas of product research/design/development:

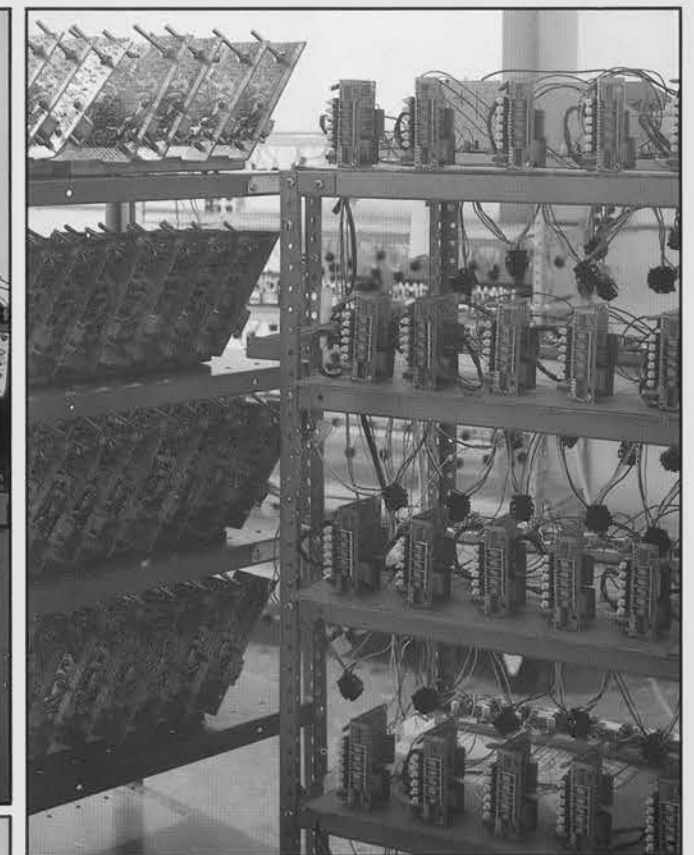
1. Helping the customer define and specify product needs.
2. Designing the product.
3. Building and testing product prototypes.
4. Manufacturing the product in production lots.
5. Servicing the product.



## Oh, and Incidentally . . .

In business since 1967, Electro/General has grown an average of 30% per year in sales volume alone . . . a strong suggestion, if not evidence, of viability, profitability and general good health.

Your assurance of quality lies mainly in our reputation, but, as you would expect, we also have a written warranty on workmanship and materials.



## Your View of EGC

If this brochure is your first introduction to Electro/General, your view of the Company is through our eyes only . . . hardly enough to justify the beginning of a business relationship. So if you would like a more unbiased view first, ask us who some of our customers are; then talk to them.

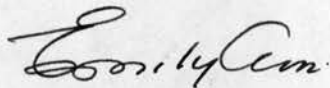
If we pass that test, we would appreciate the chance to make you one of them . . . a satisfied customer.



14960 INDUSTRIAL ROAD, MINNETONKA, MN 55343  
(612) 935-7704



Senator Emily Ann Staples,  
1640 Xanthus Lane  
Wayzata, Minnesota 55391



Dear Senator Staples:

I have just read Sen. Ed Kennedy's revised National Health Plan in the Wall Street Journal this a.m.

Creeping socialism I can handle; it's the full slap in the face by our "Lord Soper of the East" that bothers me to no end and hopefully it bothers you, too.

As stated in one of our lesser periodicals not too long ago, whenever one of our esteemed politicians gets so carried away with the vote getting that his proposed legislation denies any intelligence on the part of constituents anywhere - then its time to block that legislation plus prevent the Peter Principle from taking place by blocking or voting down that persons ascendancy to higher office.

To assume our Federal government (or any Western government for that matter) can (1) effect a National Health program cheaper and (2) more efficiently, is ridiculous, and one need not be a student of history to know this.

I hope you agree and take action to prevent this farce.

Sincerely,



Al Heiam

to Emily Rogers



RECEIVED APR 23 1979

## COMMONWEALTH of VIRGINIA

*Office of the Governor*

John N. Dalton  
Governor

April 20, 1979

Respond to:  
Division of Industrial Development  
State Office Building  
Richmond, Va. 23219  
(804) 786-3791

Mr. John Yngve, President  
Nortronics Co., Inc.  
8101 10th Avenue North  
Minneapolis, MN 55427

Dear Mr. Yngve:

It has been some time since I last corresponded with you regarding your firm's expansion or relocation plans and the part that the Commonwealth of Virginia might play in them.

As you know, Virginia is ideally situated in the center of the Atlantic Seaboard at the top of the Sun Belt. Midway between Boston and Atlanta, Virginia is within easy overnight reach of all eastern and midwestern locations.

Virginia has the third largest network of state maintained highways in the nation and is serviced by four interstate highways. Five major railroads with 4,000 miles of track serve the state. Virginia also has thirteen airports with commercial service, along with 68 general aviation airports. As you can see by the above, we do have an outstanding transportation network around the Commonwealth.

Regarding labor, it is plentiful in Virginia. Over 75,000 people enter the job market each year. 35,000 fill jobs that are vacated by death, disability, or retirement. This leaves 40,000 people available for new jobs. The Job Training Division of the Virginia Community College System will, free of charge, prepare and coordinate a Special Training Program detailed to meet the specific needs of your firm.

My plans call for me to be in the Twin Cities area May 14 through 18, and I would like to meet with you to discuss the advantages of a Virginia location regarding any short range or long range plans that you may have pending.

Sincerely,

A handwritten signature in cursive script that reads "Charles H. Nicklas".  
Charles H. Nicklas, C.I.D.  
Industrial Development Representative

CHN/ge





letter to gerry

Staples

# Senate Majority Research

ROOM 24G STATE CAPITOL ST. PAUL, MN. 55155  
(612) 296-4949  
ROOM 446 STATE OFFICE BUILDING ST. PAUL, MN. 55155  
(612) 296-4113

May 21, 1979

## MEMO

TO: ALL DFL SENATORS  
FROM: Senate Majority Research  
RE: Attached Materials

Attached is a summary of a portion of 1979's successful legislation. The summaries highlight major provisions of those bills--and do not include all the bills approved this session.

Due to the hectic schedule and the fact that conference committee agreements were reached at such a late date and time in the session, some bills are summarized extremely briefly, while others are have not, as yet, been summarized. However, this package should give you some idea as to the overall actions of the '79 session.

An addendum to this package will be sent to you within the next two weeks, and our annual summary booklet will be coming out shortly after that. In the meantime, if you have any questions, please contact our office.

NOTE: AT THE TIME OF THIS WRITING, INFORMATION ON THE ENERGY AND WORKERS' COMPENSATION CONFERENCE COMMITTEE REPORTS WAS UNAVAILABLE.

| <u>ITEM</u>                                | <u>Page</u> | <u>ITEM</u>                   | <u>Page</u> |
|--|-------------|-------------------------------|-------------|
| INTRODUCTION. . . . .                      | .1          | Sales Tax Relief. . . . .     | .10         |
| Omnibus Tax Bill                           |             | Railroad Relief . . . . .     | .11         |
| Income Tax Relief . . . . .                | .4          | Education Aids. . . . .       | .12         |
| Property Tax Relief . . . . .              | .6          | Teacher Mobility. . . . .     | .15         |
| Inheritance Tax Relief. . . . .            | .8          | Higher Education. . . . .     | .16         |
| Energy Credit . . . . .                    | .9          | State Departments . . . . .   | .17         |
| Business Pollution Control Credit. . . . . | 10          | Semi-State Agencies . . . . . | .18         |



| <u>ITEM</u>                                      | <u>Page</u> |
|--|-------------|
| Parks and Recreation Bonding . . . . .           | 20          |
| State Employee Pay. . . . .                      | 23          |
| Building Bill . . . . .                          | 25          |
| Housing Finance Agency. . . . .                  | 27          |
| HDA'S . . . . .                                  | 29          |
| USURY . . . . .                                  | 30          |
| Graduate Payment Mortgages . . . . .             | 32          |
| H.W.C. . . . .                                   | 33          |
| Human Services Boards . . . . .                  | 37          |
| Stadium Bill. . . . .                            | 39          |
| Stadium Liquor Tax Repeal . . . . .              | 41          |
| Municipal Consolidation Bill. . . . .            | 42          |
| Building Code Amendment . . . . .                | 44          |
| County Section 8 Funds. . . . .                  | 45          |
| City Installment Purchases . . . . .             | 46          |
| Town Attorney Fees. . . . .                      | 47          |
| Examination of Municipal Records . . . . .       | 48          |
| Municipal Gas Agencies. . . . .                  | 49          |
| Special Laws-Local Approval. . . . .             | 50          |
| BWCA Committee. . . . .                          | 52          |
| Tax-Forfeited Lands . . . . .                    | 53          |
| Tort Claims . . . . .                            | 54          |
| School District Pairing . . . . .                | 55          |
| Small Business Pollution Control Loans . . . . . | 57          |

| <u>ITEM</u>                                     | <u>Page</u> |
|---|-------------|
| U. of M. Small Business Set-Aside. . . . .      | 58          |
| Minn. Products Logo. . . . .                    | 59          |
| Taconite Company Eminent Domain . . . . .       | 60          |
| Sales Tax on the Elderly Association. . . . .   | 61          |
| Pets in Nursing Homes. . . . .                  | 62          |
| Notice of Nursing Home Rate Increases . . . . . | 63          |
| Adoption Inheritance Rights . . . . .           | 64          |
| Day Care Zoning. . . . .                        | 65          |
| Adoption Termination . . . . .                  | 66          |
| Pre-Marriage Contracts . . . . .                | 67          |
| Car Sale Discrimination. . . . .                | 68          |
| Insurance Payments . . . . .                    | 69          |
| Correctional Vocational Training . . . . .      | 70          |
| Mandatory Retirement . . . . .                  | 71          |
| Minimum Wage . . . . .                          | 74          |
| Family Farm Unemployment Compensation . . . . . | 75          |
| No-Fault Amendments. . . . .                    | 76          |
| Replevin . . . . .                              | 77          |
| Unclaimed Tax Refunds. . . . .                  | 79          |
| Bank Credit Card Interest . . . . .             | 80          |
| Family Farm Security Act . . . . .              | 81          |
| Narcotics on School Grounds. . . . .            | 82          |
| Pipelines. . . . .                              | 83          |
| DOT Funding. . . . .                            | 85          |



## INTRO

- I. 1979 WAS ONE OF THE TOUGHEST LEGISLATIVE SESSIONS IN RECENT HISTORY.
  - A. COMPLICATED BY:
    1. SPLIT OF POWER AMONG DFL SENATE, GOP GOVERNOR AND EVENLY-SPLIT HOUSE.
    2. THE TRAGIC LOSS OF STATE SENATOR BOB LEWIS, A MEMBER OF THE SENATE LEADERSHIP.
    3. AND THE ILLNESS AND HOSPITALIZATION OF SEVERAL (6) ADDITIONAL LEGISLATORS THROUGH THE COURSE OF THE SESSION.
  - II. IN ADDITION, WE FACED AN EXECUTIVE OFFICE UNWILLING TO PROVIDE THE KIND OF LEADERSHIP TRADITIONAL FROM PAST GOVERNORS.
    - A. FOR EXAMPLE, DURING HIS INAUGURAL ADDRESS GOVERNOR QUIE VOICED TREMENDOUS CONCERN FOR ENVIRONMENTAL PROBLEMS AND URBAN DIFFICULTIES.
      1. HE, IN FACT, PROMISED THE LEGISLATURE A SPECIAL MESSAGE ON EACH OF THOSE TOPICS.
      2. WE ARE STILL WAITING FOR THOSE SPECIAL MESSAGES.
    - B. AS OF MARCH 18 ONLY 38 OF QUIE'S BILLS HAD BEEN INTRODUCED AND 15 WERE TAX BILLS.
    - C. JUST TWO OF AT LEAST 95 DEPARTMENTAL BILLS THAT GO THROUGH THE GOVERNOR'S OFFICE WERE IN BY MARCH 18.
    - D. THE GOVERNOR DIDN'T PROVIDE HIS SPECIAL MESSAGE ON EDUCATION UNTIL WE'RE HALFWAY INTO THE SESSION MARCH 15.
- II. FURTHER COMPLICATED BY AN END OF SESSION ELECTION BATTLE OVER THE SEATING OF REPRESENTATIVE PAVLAK, A BATTLE WHICH SOMEWHAT DELAYED CONFERENCE COMMITTEE ACTION AND FLOOR ACTION.

III. IN SPITE OF THESE PROGRAMS, WE MANAGED TO MOVE AHEAD TO A SUCCESSFUL SESSION.

- A. APPROVING A RECORD 715 MILLION DOLLARS IN NEW TAX RELIEF.
  - 1. 468 MILLION IN INCREASE TAX RELIEF.
  - 2. 177 MILLION IN PROPERTY TAX REDUCTIONS.
  - 3. 16 MILLION DOLLARS IN VITAL INHERITANCE TAX RELIEF.
- B. A TWO BILLION DOLLAR EDUCATION AIDS BILL.
- C. MORE THAN ONE BILLION DOLLARS IN FUNDING FOR VITAL HEALTH, WELFARE AND CORRECTIONS PROGRAMMING.
- D. AS WELL AS A WIDE RANGE OF TRADITIONAL AND INNOVATIVE HUMAN SERVICE PROGRAMS AND EFFORTS RANGING FROM:
  - A. GRADUATED PAYMENT MORTGAGES.
  - B. TO A RESIDENTIAL ENERGY TAX CREDIT.
  - C. TO COST-OF-LIVING INCREASES FOR OUR HUMAN ASSISTANCE PROGRAMS.



## OMNIBUS TAX BILL

I. THIS SESSION WE APPROVED LEGISLATION PROVIDING A RECORD 715.3 MILLION DOLLARS IN NEW TAX RELIEF.

A. HIGHLIGHTS INCLUDE:

1. 468.3 IN NEW INCOME TAX RELIEF.
2. 177 MILLION DOLLARS IN PROPERTY TAX RELIEF.
3. 1.6 MILLION DOLLARS THROUGH A NEW RESIDENTIAL ENERGY CREDIT.
4. 16 MILLION DOLLARS IN INHERITANCE TAX RELIEF.

II. DETAILS ON THE FOLLOWING PAGES.

## INCOME TAX RELIEF

- I. A TOTAL OF 468.3 MILLION DOLLARS IN NEW INCOME TAX RELIEF.
  - A. 166 MILLION DOLLARS IN NEW RELIEF THROUGH INCREASED DEPENDENT CREDITS.
    1. FROM THE CURRENT \$40 TO \$55 FOR THIS YEAR AND \$60 IN 1980.
    2. INDEXED IN 1981.
  - B. 230 MILLION DOLLARS IN NEW RELIEF BY INDEXING THE TAX BRACKETS.
    1. THEY WOULD EXPAND AT 85 PERCENT THE RATE OF INFLATION.
    2. EFFECTIVE FOR TAXABLE YEAR 1979.
  - C. 12 MILLION DOLLARS IN RELIEF THROUGH DOUBLING THE STANDARD DEDUCTION AND INDEXING IN 1981.
    1. GOES FROM \$1,000 TO \$2,000.
  - D. 15.8 MILLION DOLLARS IN NEW RELIEF THROUGH EXPANSION OF THE WORKING POOR TAX RELIEF PROGRAM.
    1. UNDER THIS SECTION, THE AMOUNT A SINGLE PERSON WOULD HAVE TO EARN BEFORE PAYING STATE INCOME TAXES WOULD INCREASE FROM \$4,800 TO \$5,500.
    2. FOR A FAMILY OF FOUR IT WOULD INCREASE FROM \$7,800 TO \$8,900.
    3. LOW INCOME CREDIT WOULD BE INDEXED IN 1981.
  - E. PROVIDES \$16.3 MILLION IN INCOME TAX RELIEF FOR PENSIONERS.
    1. ONLY THOSE INDIVIDUALS WITH FAIRLY HIGH INCOMES WILL PAY TAX ON THEIR PENSIONS.
    2. PENSION EXCLUSION IS INCREASED FROM \$7,200 TO \$10,000.
    3. ELIMINATES THE SOCIAL SECURITY AND RAILROAD RETIREMENT



OFFSETS WHICH WERE SUBTRACTED FROM THE PENSION EXCLUSION.

4. EXCLUSION IS REDUCED BY FEDERAL ADJUSTED GROSS INCOME IN EXCESS OF \$17,000. CURRENT FEDERAL ADJUSTED GROSS INCOME OFFSET FIGURE IS \$13,000.
- F. 7.5 MILLION DOLLARS IN RELIEF BY EXCLUDING THE AMOUNT OF THE GAIN ON THE SALE OF A HOME BY A TAXPAYER AGE 55 OR OVER FROM TAXATION.
- G. 6.1 MILLION DOLLARS IN RELIEF BY ELIMINATING THE TOP INCOME TAX BRACKET.
  1. EFFECTIVELY REDUCING THE TAX RATE ON INCOME OVER \$27,500 FROM 17 PERCENT TO 16 PERCENT.
- H. 12.5 MILLION DOLLARS IN RELIEF BY EXCLUDING THE FIRST \$3,000 OF MILITARY PAY, PLUS THE NEXT \$2,000 IF EARNED OUTSIDE OF MINNESOTA FROM GROSS INCOME FROM TAX PURPOSES.
- I. ONE MILLION DOLLARS IN NEW RELIEF BY INCREASING THE MAXIMUM POLITICAL CONTRIBUTION CREDIT FROM \$25 FOR A SINGLE PERSON AND \$50 FOR A COUPLE TO \$50 AND \$100 RESPECTIVELY.

## PROPERTY TAX RELIEF

- I. TOTAL PROPERTY TAX RELIEF FOR THE NEXT BIENNIUM IS \$177.3 MILLION
- II. \$108.8 MILLION IN PROPERTY TAX RELIEF IS GRANTED THROUGH THE FOLLOWING PROVISIONS:
  - A. ELIMINATION OF THE LIMITED MARKET VALUE CONCEPT OVER A TWO-YEAR PERIOD.
  - B. THE HOMESTEAD CREDIT IS INCREASED FROM THE PRESENT CREDIT OF 45% OF A HOMEOWNER'S PROPERTY TAX SUBJECT TO A MAXIMUM CREDIT OF \$325 TO 50% AND \$500 NEXT YEAR AND 55% AND \$550 THE FOLLOWING YEAR.
  - C. A DECREASE IN PROPERTY CLASSIFICATION RATES USED IN DETERMINING ASSESSED VALUES FOR HOMEOWNERS, FARMERS, AND OWNERS OF SEASONAL RECREATIONAL PROPERTY.
  - D. AGRICULTURAL MILL RATE CREDIT IS INCREASED FROM 15 TO 17 MILLS ON AGRICULTURAL HOMESTEAD PROPERTY.
  - E. ACREAGE FOR AGRICULTURAL HOMESTEAD CLASSIFICATION IS EXPANDED FROM 160 ACRES TO 240 ACRES.
  - F. IMPROVEMENTS IN THE PROPERTY TAX REFUND
    - 1. FOR RENTERS, PROPERTY TAXES PAYABLE IS CONSTRUED TO BE 23% OF RENT PAID FOR OCCUPANCY. THE CURRENT PERCENTAGES IS 22%.
    - 2. CHANGES CO-INSURANCE PERCENTAGE FROM 35% TO 50% FOR ALL TAXPAYERS.
    - 3. EXPANDS ALL MAXIMUM CREDITS. THE MAXIMUM CREDIT AVAILABLE WAS INCREASED FROM \$800 TO \$1,000.
    - 4. CHILD SUPPORT PAYMENTS ARE EXCLUDED FROM THE DEFINITION OF HOUSEHOLD INCOME FOR PROPERTY TAX REFUND PURPOSES.
- III. PROVIDES \$23.6 MILLION IN PROPERTY TAX RELIEF BY INCREASING THE STATE SHARE OF INCOME MAINTENANCE PROGRAMS.
- IV. PROVIDES \$9.4 MILLION IN PROPERTY TAX RELIEF TO COUNTIES WHICH HAVE LARGE ACREAGES OF PUBLICLY OWNED LAND.
  - A. STATE REIMBURSEMENT OF \$3 PER ACRE FOR ACQUIRED DNR LAND.
  - B. 75 CENTS PER ACRE FOR COUNTY ADMINISTERED NATURAL RESOURCES LAND.
  - C. 37.5 CENTS PER ACRE FOR OTHER NATURAL RESOURCES LAND ADMINISTERED BY THE COMMISSIONER OF NATURAL RESOURCES.



V.

AIDS TO LOCAL UNITS OF GOVERNMENT DESIGNED TO EASE THE PROPERTY TAX BURDEN TOTAL 43.9 MILLION. AMONG THE MAJOR PROVISIONS:

- A. AN INCREASE IN LOCAL GOVERNMENT AIDS FROM \$52 TO \$64 PER CAPIT NEXT YEAR AND \$70 PER CAPITA THE FOLLOWING YEAR.
- B. PROVIDES FOR ADDITIONAL COUNTY PER CAPITA AIDS OF \$1 IN 1980 AND \$2 IN 1981.
- C. IMPLEMENTS NEW LOCAL AID FORMULA DEVELOPED BY THE LEAGUE OF MINNESOTA CITIES.
- D. THE STATE REIMBURSES 15% OF THE EMPLOYERS' CONTRIBUTION TO ALL MUNICIPAL POLICE AND FIRE PENSION FUNDS.

## INHERITANCE TAX REFORM

- I. 16 MILLION DOLLARS IN INHERITANCE TAX RELIEF.
  - A. ABOLISHES THE INHERITANCE TAX AND GIFT TAX REPLACING THE INHERITANCE TAX WITH AN ESTATE TAX.
    - 1. ELIMINATES TAXES ON 94% OF MINNESOTA ESTATES SAVING TAXPAYERS \$16.0 MILLION FOR THE BIENNIUM.
  - B. MINNESOTA TAXABLE ESTATE IS THE DECEDENT'S FEDERAL GROSS ESTATE, SUBJECT TO SEVERAL MODIFICATIONS AND DEDUCTIONS.
  - C. PROVIDES FOR A DEDUCTION OF \$200,000 AGAINST THE GROSS ESTATE IF THE DECEDENT IS A NON-RESIDENT, THIS REDUCTION IS REDUCED IN PROPORTION TO THE VALUE OF THE DECEDENT'S PROPERTY LOCATED OUTSIDE MINNESOTA.
  - D. PROVIDES FOR A MARITAL DEDUCTION OF 50% OF THE GROSS ESTATE OR \$250,000, WHICHEVER IS GREATER (IN ADDITION TO THE \$200,000 DEDUCTION).
  - E. RATE SCHEDULE:
    - 7% ON THE FIRST \$100,000 OF THE MINNESOTA TAXABLE ESTATE.
    - 8% ON THE NEXT \$100,000
    - 9% ON THE NEXT \$100,000
    - 10% ON THE NEXT \$200,000
    - 11% ON THE NEXT \$500,000
    - 12% ON THE EXCESS OVER \$1,000,000
  - F. EXEMPTION FOR MILITARY PERSONS MISSING IN ACTION.
  - G. CONFORMS TO FEDERAL PROVISIONS FOR ALTERNATIVE VALUATION OF FAMILY FARMS.
    - 1. FARMLAND VALUE WOULD BE BASED ON PRODUCTION RATHER THAN ON MARKET VALUE.



RESIDENTIAL ENERGY CREDIT

- I. 1.6 MILLION DOLLARS IN RELIEF THROUGH A NEW RESIDENTIAL ENERGY TAX CREDIT.
  - A. CREDIT EQUAL TO 20% OF THE FIRST \$10,000 OF RENEWABLE ENERGY SOURCE EXPENDITURES.
  - B. EXPENDITURES FOR EARTH SHELTERED UNITS AND PASSIVE SOLAR ENERGY SYSTEMS ARE ALSO ELIGIBLE FOR THE CREDIT.

BUSINESS POLLUTION CONTROL CREDIT

- I. 3.9 MILLION DOLLARS IN RELIEF BY PROVIDING A POLLUTION CONTROL CREDIT EQUAL TO 5% OF THE NET COST OF THE POLLUTION CONTROL EQUIPMENT, SUBJECT TO A MAXIMUM CREDIT OF \$75,000.

SALES TAX RELIEF

- I. 4.7 MILLION DOLLARS IN RELIEF BY EXEMPTING RESIDENTIAL WATER AND SEWER SERVICES FROM SALES TAX.



RAILROAD RELIEF

- I. 31.8 MILLION DOLLARS IN RELIEF FOR RAILROADS BY REPEALING THE 5% GROSS EARNINGS TAX ON RAILROADS AND REPLACING IT WITH THE PROPERTY TAX.
  - A. MANDATED BY THE COURTS.

## EDUCATION AIDS

- I. THIS BILL APPROPRIATES 1.97 BILLION DOLLARS TO THE MINNESOTA SCHOOL SYSTEM FOR THE COMING BIENNIUM, A 15.8 PERCENT INCREASE OVER THE CURRENT BIENNIUM.
  - A. FOUNDATION AIDS WILL INCREASE FROM THE CURRENT \$1,095 PER PUPIL UNIT TO \$1,182 FOR THE 1979-80 SCHOOL YEAR AND \$1,265 FOR THE 1980-81 SCHOOL YEAR.
  - B. THAT INCREASE IN FOUNDATION AIDS WILL BE ACCOMPANIED BY A DECREASE IN THE LOCAL LEVY FROM THE CURRENT 28 MILLS TO 27 MILLS FOR 1979-80, 23 MILLS FOR 1980-81 AND 21 MILLS FOR 1981-82.
- II. OTHER FOUNDATION AIDS CHANGES.
  - A. ALLOWS FOUR YEAR AVERAGING OF DECLINING ENROLLMENTS, AS OPPOSED TO 3 AND 1/4 YEAR AVERAGING NOW. (25 MILLION NEW DOLLARS FOR THOSE SCHOOLS).
  - B. PROVIDES SPARSITY AIDS FOR SMALL AND ISOLATED SCHOOL DISTRICTS (\$1.8 MILLION).
  - C. 1980-81 DISTRICTS BEGIN TO LEVY FOR DECLINING ENROLLMENT, FAST GROWTH AND SPARSITY. STATE WILL PAY THE SAME PROPORTION OF THIS LEVY THAT THE STATE PAYS OF THE FOUNDATION AID FORMULA ALLOWANCE.
    1. THIS IS A HOUSE POSITION THAT THE DFL SENATE FOUGHT.
    2. OF THE 71 MILLION DOLLARS NOW PROVIDED BY THE STATE FOR DECLINING ENROLLMENTS, SPARSITY AND FAST GROWTH-- 36 MILLION WILL GO ON LOCAL PROPERTY TAXES IN 1980-81 AS A RESULT OF THIS ACTION.
  - D. AUTHORIZES 1/2 MILL DISCRETIONARY LEVY (AFTER 1980-81) EQUALIZED TO RAISE \$27.50 PER PUPIL UNIT. 1980-81

CHANGES TO ONE MILL DISCRETIONARY LEVY EQUALIZED AT \$64.50 PER PUPIL UNIT.

1. THE DFL SENATE BILL INCLUDED NO SUCH DISCRETIONARY LEVY AND THE HOUSE BILL ORIGINALLY CALLED FOR ONE MILL DISCRETIONARY LEVY THE FIRST YEAR AND TWO MILLS THE SECOND YEAR.

A. GOVERNOR SUPPORTED A TWO MILL DISCRETIONARY LEVY.

2. AFTER A BITTER CONFERENCE COMMITTEE BATTLE, WITH THE SENATE WANTING TO REMOVE THE LEVY (WHICH RAISED PROPERTY TAXES), HOUSE CONFEREES AGREED TO CUT THE DISCRETIONARY LEVY IN HALF.

3. PUTS \$10 MILLION BACK ON PROPERTY TAX ROLLS.

II. TRANSPORTATION AIDS WILL GO FROM THIS BIENNIUM'S \$153.1 MILLION TO \$181.7 MILLION FOR THE COMING BIENNIUM.

A. BASED ON A NEW FORMULA WHICH TAKES INTO CONSIDERATION:

1. FULL-TIME EQUIVALENT STUDENTS TRANSPORTED.

2. THE SIZE OF THE DISTRICT IN SQUARE MILES.

3. PERCENT OF STUDENTS TRANSPORTED.

III. THE BILL ALSO INCREASES THE FUNDING FOR SPECIAL EDUCATION FOR THE MENTALLY AND PHYSICALLY DISADVANTAGED FROM THE CURRENT BIENNIUM'S 144.36 MILLION TO 178.49 MILLION DOLLARS.

IV. INCREASES THE AID FOR COMMUNITY EDUCATION PROGRAMS TO 75 CENTS PER CAPITA WITH MINIMUM OF \$5,000 IN FISCAL 1980 AND \$7,000 IN FISCAL 1981. (CURRENT 50 CENTS PER CAPITA).

A. ALLOWS A MAXIMUM LOCAL LEVY FOR COMMUNITY EDUCATION OF \$2.50. (CURRENTLY, \$2).

B. INCREASES AIDS FOR COMMUNITY EDUCATION FROM \$3.3 MILLION



TO \$6.7 MILLION.

V. OTHER HIGHLIGHTS INCLUDE:

|                         | <u>1978-79 BIENNium</u> | <u>1980-81 BIENNium</u> |
|-------------------------|-------------------------|-------------------------|
| A. ADULT EDUCATION      | 1.19 MILLION            | \$1.8 MILLION           |
| B. TOTAL AVTI           | 173.2                   | 174.5                   |
| C. ADULT VOCATIONAL     | 9.9                     | 13.2                    |
| D. SECONDARY VOCATIONAL | 32.2                    | 43.8                    |
| E. EARLY CHILDHOOD      | 1.7                     | 3.4                     |
| F. GIFTED STUDENTS      | -----                   | 1.2                     |
| G. HEALTH SCREENING.    | 1.7                     | 2.8                     |

TEACHER MOBILITY INCENTIVES IN EDUCATION AIDS BILL

- I. THIS SECTION OF THE EDUCATION AIDS BILL SIGNIFICANTLY EXPANDS THE TEACHER MOBILITY PROGRAMS DESIGNED TO ENCOURAGE EARLY RETIREMENT, LEAVES OF ABSENCE AND PART-TIME TEACHING.
  - A. EXTENDED LEAVES OF ABSENCE PROGRAMS.
    1. ALLOWS SUPERINTENDENTS AND AVTI TEACHERS TO PARTICIPATE, FOR THE FIRST TIME.
    2. ALLOWS TEACHERS AND SUPERINTENDENTS ON EXTENDED LEAVES TO ACCEPT A JOB AS A SUBSTITUTE.
  - B. EARLY RETIREMENT INCENTIVE PROGRAMS.
    1. ALLOWS AVTI TEACHERS TO PARTICIPATE.
    2. INCREASES MAXIMUM EARLY RETIREMENT GRANT TO \$10,000 (CURRENTLY \$7,500 AT AGE 55).
      - A. AND ALLOWS GRANTS TO BE INCREASED BY 50 PERCENT IN DISTRICTS IMPLEMENTING DESEGREGATION PLANTS.
    3. ALLOWS RECIPIENTS OF EARLY RETIREMENT GRANTS TO BE EMPLOYED AS SUBSTITUTE TEACHERS AFTER RETIREMENT.

## HIGHER EDUCATION BILL

- I. THE BILL APPROPRIATES 800.2 MILLION DOLLARS FOR HIGHER EDUCATION FOR FISCAL YEARS 1980 AND 1981, A 16.3 PERCENT INCREASE OVER PRESENT BIENNIUM'S \$688 MILLION.
- II. THE SALARY INCREASE FUNDING INCLUDES:
  - A. FOR THE UNIVERSITY OF MINNESOTA, SEVEN PERCENT EACH YEAR OF THE BIENNIUM (\$28.6 MILLION).
  - B. FOR THE STATE UNIVERSITY SYSTEM, SEVEN PERCENT EACH YEAR (\$12.7 MILLION).
  - C. FOR THE COMMUNITY COLLEGE SYSTEM, 9.2 PERCENT THE FIRST YEAR AND 8.4 PERCENT THE SECOND YEAR (\$7.1 MILLION).
- III. FROM THE STATE GENERAL FUND:

|  | <u>1980-81</u> | <u>1978-79</u> |
|--|----------------|----------------|
| A. DEPARTMENT OF EDUCATION             | \$44.5 MILLION | 46.7 MILLION   |
| B. HIGHER EDUCATION COORDINATING BOARD | 90.3           | 62.8           |
| C. STATE UNIVERSITY SYSTEM             | 151.6          | 136.1          |
| D. COMMUNITY COLLEGE SYSTEM            | 72.3           | 62.2           |
| E. UNIVERSITY OF MINNESOTA             | 438.5          | 378.1          |
| F. MAYO MEDICAL SCHOOL                 | 2.9            | 2.3            |



## STATE DEPARTMENTS BILL

- I. THIS MEASURE APPROPRIATES 767.7 MILLION DOLLARS FOR A VARIETY OF STATE DEPARTMENTS AND AGENCIES FOR THE 1979-81 BIENNIUM.
  - A. THE 1977-79 BIENNIUM APPROPRIATIONS WERE 491 MILLION DOLLARS. HOWEVER, THE NUMBERS ARE NOT TOTALLY COMPATIBLE AS THERE ARE NEW ITEMS WHICH HAVE BEEN TRANSFERRED TO THIS BUDGET BILL.
- II. MAJOR HIGHLIGHTS:
  - A. GOVERNOR'S OFFICE--3.2 MILLION DOLLARS.
  - B. STATE PLANNING AGENCY--15.6 MILLION DOLLARS.
    1. 15.3 MILLION, 1977-79 BIENNIUM.
  - C. ADMINISTRATION--30.7 MILLION.
    1. 30.3 MILLION LAST BIENNIUM.
  - D. FINANCE--9.3 MILLION DOLLARS.
    1. 9.5 MILLION, LAST BIENNIUM.
  - E. REVENUE--47.8 MILLION DOLLARS.
    1. LAST BIENNIUM, 43.1 MILLION.
  - F. AGRICULTURE--52.6 MILLION DOLLARS.
  - G. ZOOLOGICAL BOARD--12.8 MILLION DOLLARS.
  - H. DNR--101 MILLION DOLLARS.
    1. LAST BIENNIUM, 91.5 MILLION.
  - I. PCA--9.7 MILLION DOLLARS.
    1. 10 MILLION, LAST BIENNIUM.
  - J. ECONOMIC DEVELOPMENT--6.3 MILLION DOLLARS.
    1. LAST BIENNIUM, 4.2 MILLION.

## SEMI-STATE APPROPRIATIONS

- I. APPROPRIATES \$20 MILLION FOR: DEVELOPMENT OF STATE'S NATURAL RESOURCES, HISTORICAL AND ARTS DEVELOPMENT, PROMOTION, PUBLICITY; MINNESOTA HISTORICAL SOCIETY; STATE HORTICULTURAL SOCIETY; STATE ARTS BOARD; SOCIETY FOR PREVENTION OF CRUELTY; SAFETY COUNCIL; COUNTY ATTORNEY'S COUNCIL; OTHER PURPOSES.
  - A. PREVIOUS BIENNIUM'S APPROPRIATION: \$15.5 MILLION.
- II. MAJOR APPROPRIATIONS INCLUDE:
  - A. MINNESOTA HISTORICAL SOCIETY.
    1. 1980-81 BIENNIUM: \$12.8 MILLION.
      - A. 1978-79 BIENNIUM: \$10.9 MILLION.
    2. INCLUDES INTERPRETIVE CENTERS; SIBLEY HOUSE ASSOCIATION; GOVERNMENT LEARNING CENTER; MINNESOTA FOLKLIFE CENTER.
  - B. STATE ARTS BOARD.
    1. 1980-81 BIENNIUM: \$5,880,000.
      - A. 1978-79: \$3 MILLION.
    2. INCLUDES \$680,000 FOR PUBLIC TV AND \$200,000 FOR PUBLIC RADIO.
- III. OTHER APPROPRIATIONS INCLUDE:
  - A. GREAT LAKES COMMISSION: \$70,500 FOR BIENNIUM.
  - B. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION: \$99,100.
  - C. HORTICULTURAL SOCIETY: \$131,000.
  - D. SCIENCE MUSEUM: \$350,000.
  - E. HUMANE SOCIETY: \$110,000.
  - F. COUNTY ATTORNEY'S COUNCIL: \$125,000.
  - G. SOUTHERN MINNESOTA RIVER BASIN BOARD: \$80,000.

H. SAFETY COUNCIL: \$95,000.

I. VOYAGEURS NATIONAL PARK ADVISORY COMMISSION: \$100,000.



## PARKS AND RECREATION BONDING

- I. APPROPRIATION: \$46,465,000.
  - A. APPROPRIATED FROM THE STATE BUILDING FUND.
    - 1. UPON THE REQUEST OF THE GOVERNOR, THE COMMISSIONER OF FINANCE SHALL ISSUE AND SELL BONDS OF THE STATE.
  - B. APPROPRIATED TO THE COMMISSIONER OF NATURAL RESOURCES EXCEPT WHERE OTHERWISE INDICATED.
- II. APPROPRIATED TO THE STATE PLANNING AGENCY FOR THE PURPOSES OF PAYMENT TO THE METRO COUNCIL. \$27,000,000.
  - A. REGIONAL PARKS AND PARK RESERVES.
    - 1. ACQUISITION: \$15,339,672.
    - 2. DEVELOPMENT: \$ 4,664,400.
  - B. REGIONAL TRAILS.
    - 1. ACQUISITION AND DEVELOPMENT: \$1,019,015.
  - C. REGIONAL SPECIAL RECREATION USE.
    - 1. DEVELOPMENT: \$3,910,000.
  - D. INHOLDINGS.
    - 1. ACQUISITION: \$1,927,170.
  - E. STAFF AND PROFESSIONAL SERVICES: \$200,000.
- III. STATEWIDE EXPENDITURES.
  - A. STATE AND LOCAL TRAILS.
    - 1. GENERAL.
      - A. 1977 APPROPRIATION AMENDMENT.
        - 1. ACQUISITION: \$1,805,000.
        - 2. BETTERMENT OF TRAILS: \$1,800,000.
      - B. 1979 APPROPRIATION.
        - 1. ACQUISITION: \$750,000
        - 2. BETTERMENT: \$1,800,000.

2. SKIING, HIKING AND BICYCLING WITHIN STATE PARKS AND RECREATION AREAS \$1,105,000.
3. BICYCLE TRAILS ALONG ROADWAYS.
  - A. APPROPRIATION TO DEPARTMENT OF TRANSPORTATION.
    1. BETTERMENT OF EXISTING TRAILS: \$1,000,000.
    2. DOT GRANT TO LOCAL UNITS: \$2,000,000.
4. LUCE LINE TRAIL, (NEAR WINSTED).
  - A. RESTRICTS FURTHER DEVELOPMENT EXCEPT MAINTENANCE AND REPAIR.
  - B. REQUIRES DNR TO MAKE ADVISORY REPORT TO THE LEGISLATURE.
- B. FISH AND WILDLIFE MANAGEMENT.
  1. GENERAL FISH AND WILDLIFE ACCESS: \$1,008,000
  2. WILDLIFE MANAGEMENT AREAS:
    - A. ACQUISITION: \$4,000,000.
    - B. BETTERMENT: \$500,000.
- C. STATE FOREST,
  1. ACQUISITION: \$2,000,000.
  2. BETTERMENT: \$180,000.
- D. NATURAL AND SCIENTIFIC AREAS.
  1. ACQUISITION: \$538,000.
- E. STAFF COST AND INDIVIDUAL PROFESSIONAL SERVICES RELATED TO A, B, C, D. \$2,081,500.
- F. ACCESS TO PUBLIC WATERS (OUTSIDE THE METRO AREA).
  1. ACQUISITION: \$1,500,000.
  2. DEVELOPMENT AND IMPROVEMENT: \$1,000,000.
- IV. ESTABLISHMENT OF TETTEGOUCHE STATE PARK.
  - A. INCORPORATES BAPTISM RIVER.

- B. APPROPRIATION FOR ACQUISITION PLUS EXPENSES OF PURCHASE:  
\$880,000.
- C. AUTHORIZES OPTION TO PURCHASE: \$10,000.
- D. PROVIDES FOR RETURN OF TAX-FORFEITED LAND FROM THE  
COUNTY TO THE DNR.
  - 1. REIMBURSES COUNTY AT FAIR MARKET VALUE.
  - 2. PROVIDES TAX RELIEF FOR LOST REAL ESTATE TAX  
REVENUE.
  - 3. THIS SECTION, IV, EFFECTIVE THE DAY FOLLOWING  
ENACTMENT.
- V. REMAINDER OF BILL EFFECTIVE DATE JULY 1, 1979.



## STATE EMPLOYEE PAY BILL

- I. NEGOTIATED AND ARBITRATED STATE PUBLIC EMPLOYEE LABOR AGREEMENTS ARE IMPLEMENTED WITHOUT MODIFICATION. (ONE EXCEPTION, HIGHWAY PATROL EMPLOYEES, ARE GRANTED A 2 1/2 PERCENT INCREASE ABOVE THE ORIGINAL SETTLEMENT FOR THE FIRST YEAR OF THE BIENNIUM).
- II. A 12-MEMBER JOINT LEGISLATIVE COMMISSION ON EMPLOYEE RELATIONS IS CREATED, CONSISTING OF SIX MEMBERS FROM EACH BODY, INCLUDING HOUSE AND SENATE OFFICERS.
  - A. PRIMARY RESPONSIBILITY OF THE COMMISSION IS THE MONITORING OF THE PUBLIC EMPLOYEE BARGAINING PROCESS.
  - B. THE COMMISSION MAY MAKE RECOMMENDATIONS TO THE COMMISSIONER OF PERSONNEL IN THE COURSE OF NEGOTIATIONS AND MAY APPROVE OR DISAPPROVE CONTRACTS ARRIVED AT IN THE BARGAINING PROCESS. (THE ACTION IS NOT BINDING ON THE LEGISLATURE).
  - C. A REPORT OF A COMPREHENSIVE STUDY OF THE STATE CIVIL SERVICE SYSTEM AND THE EMPLOYEE RELATIONS LAW IS TO BE SUBMITTED TO THE LEGISLATURE BY NOVEMBER 15, 1980.
- III. A PLAN FOR REDUCING THE NUMBER OF STATE EMPLOYEES BY UP TO FOUR PERCENT IS TO BE PREPARED BY THE COMMISSIONER OF FINANCE AND SUBMITTED TO THE LEGISLATURE AND TO THE LEGISLATIVE COMMISSION ON EMPLOYEE RELATIONS BY OCTOBER 1, 1980. (ATTRITION PLAN TO TAKE EFFECT IN 1981-1983 BIENNIUM FOLLOWING LEGISLATIVE ACTION).
- IV. THE AUTHORITY OF THE STATE LEGISLATURE TO MODIFY PUBLIC EMPLOYEE NEGOTIATED SETTLEMENTS IS TERMINATED.
- V. CIVIL SERVICE LAW, CHAPTER 43, IS ABOLISHED EFFECTIVE JULY 1, 1981, (IN ANTICIPATION OF REFORM LEGISLATION FOLLOWING

STUDIES REQUIRED BY THIS ACT).

- VI. SALARIES OF STATE DEPARTMENT AND AGENCY HEADS ARE INCREASED AN AVERAGE OF SEVEN PERCENT PER YEAR OVER THE BIENNIUM, AS ARE THOSE OF STATE CONSTITUTIONAL OFFICERS (SUCH AS THE GOVERNOR, SECRETARY OF STATE, TREASURER, AUDITOR, ETC.).

## BUILDING BILL (BONDING AND APPROPRIATIONS)

- I. THESE TWO BILLS (THE BUILDING BONDING BILL AND THE BUILDING APPROPRIATIONS BILL) PROVIDE MORE THAN 69.3 MILLION DOLLARS FOR A WIDE RANGE OF CONSTRUCTION, REMODELING AND REPAIR PROJECTS.
  - A. 67.2 MILLION DOLLARS IN NEW BONDING AUTHORITY.
  - B. 1.7 MILLION DOLLARS FROM THE GENERAL FUND.
  - C. 465,000 FROM THE TRUNK HIGHWAY FUND.
- II. AS AN ILLUSTRATION OF THE KINDS OF FUNDING THE LEGISLATURE MUST CONSIDER--AND WHICH AFFECT BUDGET PROJECTIONS--THIS SESSION'S BILL (AS A RESULT OF OUR WINTER WEATHER) CONTAINED 2.3 MILLION DOLLARS IN ALLOCATIONS SPECIFICALLY DIRECTED TOWARD ROOF REPAIRS ON PUBLIC BUILDINGS.
- III. AMONG THE HIGHLIGHTS OF THE BILL ARE:
  - A. 6.27 MILLION DOLLARS (BONDING AND APPROPRIATIONS) TO THE STATE UNIVERSITY SYSTEM:
    1. REPAIR TO THE TRAFTON SCIENCE CENTER IN MANKATO (\$725,000, BONDING).
    2. ST. CLOUD CAMPUS FOR THE CONSTRUCTION OF HELENBECK HALL (\$4.7 MILLION, BONDING).
    3. MODIFICATION OF ELECTRICAL SYSTEM AT BEMIDJI (\$50,000, GENERAL FUND).
    4. ROOFING REPAIR STATEWIDE (\$750,000, BONDING).
  - B. 48 MILLION DOLLARS IN BONDING AND \$200,000 FROM THE GENERAL FUND FOR THE UNIVERSITY OF MINNESOTA.
    1. \$15.8 MILLION FOR A NEW MINNEAPOLIS CIVIL AND MINERAL ENGINEERING BUILDING (BONDING).
    2. \$118,000 FOR MINNEAPOLIS WOMEN SOFTBALL FACILITY (BONDING).

3. 5.7 MILLION DOLLARS (BONDING) FOR CONVERTING MINNEAPOLIS HEATING PLANT TO COAL.
4. 13.6 MILLION DOLLARS (BONDING) TO CONSTRUCT A ST. PAUL CAMPUS VETERINARY BUILDING.
5. 3.3 MILLION DOLLARS (BONDING) FOR DULUTH BUSINESS AND ECONOMIC BUILDING.
6. 3.4 MILLION DOLLARS FOR CROOKSTON PHYSICAL EDUCATION BUILDING AND FACILITIES.
  - A. INCLUDES PROVISIONS FOR AUDITORIUM REMODELING PLANNING.
- C. 10.2 MILLION DOLLARS (BONDING) TO COVER COST OVERRUNS AT NEW PRISON.
- D. NECESSARY REPAIR TO POWER CABLE AT ST. CLOUD REFORMATORY \$129,900 (BONDING).
- E. \$587,500 TO DNR (BONDING) FOR NEW WASTE SUPPLY INTAKE AT THE FRENCH RIVER HATCHERY.
- F. 2 MILLION DOLLARS (BONDING) TO THE DEPARTMENT OF ADMINISTRATION FOR ENERGY PROJECTS WITH AN ENERGY SAVINGS PAY-BACK-PERIOD OF FIVE YEARS OR LESS.
- G. \$465,000 FROM THE TRUNK HIGHWAY FUND FOR:
  1. OAKLAND WOODS REST AREA (\$136,000).
  2. ALBERT LEA LAKE REST AREA (\$136,000).
  3. REMODEL A SURPLUS BUILDING AT HASTINGS VETERANS' HOME FOR USE AS TRUCK STATION (\$193,000).



MINNESOTA HOUSING FINANCE AGENCY

I. APPROPRIATIONS.

- A. \$19.3 MILLION FOR LOW INCOME REHABILITATION GRANTS.
- B. \$7.6 MILLION FOR LOW INTEREST REHABILITATION LOANS.
- C. \$2 MILLION FOR HANDICAPPED ACCESSIBILITY PROGRAM.
- D. \$7.7 MILLION FOR HOME OWNERSHIP ASSISTANCE FUND.  
(DOWN PAYMENT AND MONTHLY PAYMENT ASSISTANCE)
- E. \$3.4 MILLION FOR RESERVATION AMERICAN INDIAN REVOLVING FUND.
- F. \$1.5 MILLION FOR URBAN AMERICAN INDIAN REVOLVING FUND.
- G. \$500,000 FOR DEVELOPER GRANTS FOR LARGE APARTMENT AND TOWN HOUSE UNITS.
- H. \$250,000 FOR REHABILITATION GRANTS TO ENROLLED MEMBERS WITHIN THE SIOUX COMMUNITIES OF PRAIRIE ISLAND, SHAKOPEE, LOWER SIOUX (MORTON), AND UPPER SIOUX (GRANIT FALLS).

II. OTHER PROGRAMS.

- A. GRANTS OF UP TO \$5,000 PER UNIT TO DEVELOPERS OF 3 OR MORE BEDROOM TOWNHOUSE UNITS, FOR LARGE LOW AND MODERATE INCOME FAMILIES.
- B. EXPANDS THE EXISTING GRANT PROGRAM FOR HANDICAPPED ACCESSIBILITY.
  - 1. PRESENT LAW PROVIDES FOR HOME IMPROVEMENT GRANTS OF UP TO \$5,000 AND ADDITIONAL GRANTS OF UP TO \$2,500 TO IMPROVE HANDICAPPED ACCESSIBILITY.
  - 2. PROGRAM IS EXPANDED TO PROVIDE FOR MAXIMUM GRANTS

(MORE)

OF \$10,000 DEPENDING ON COST OF IMPROVEMENTS  
AND FINANCIAL STATUS OF APPLICANT.

- A. PROVIDES GRANT/LOAN COMBINATIONS OF UP TO  
\$15,000 FOR ACCESSIBILITY IMPROVEMENTS.
- B. PERMITS THE MHFA TO DETERMINE WHAT, IF ANY,  
PORTION OF THE GRANT MUST BE REPAYED.
- C. CREATES MULTIFAMILY RENTAL UNIT REHABILITATION LOAN  
PROGRAM.
  - 1. REHABILITATION AND ENERGY IMPROVEMENT LOANS TO  
OWNERS OF RENTAL PROPERTY WHICH HAS FOUR OR MORE  
UNITS, IS AT LEAST 15 YEARS OLD, AND IS OCCUPIED  
BY LOW AND MODERATE INCOME PERSONS.

III. BONDING AUTHORITY.

- A. REHABILITATION LOANS - INCREASES BONDING AUTHORITY  
FROM \$175 MILLION TO \$225 MILLION.
- B. SINGLE FAMILY MORTGAGE PROGRAM AND MULTIFAMILY FINANCE  
PROGRAM - INCREASES BONDING AUTHORITY FROM \$725 MILLION  
TO \$1,325,000,000.

## HOUSING AND REDEVELOPMENT AUTHORITIES

- I. PERMITS MEMBERS OF THE CITY COUNCIL OF A CITY TO SERVE AS COMMISSIONERS OF THE HOUSING AND REDEVELOPMENT AUTHORITY FOR THE CITY.
- II. EXPANDS HOUSING REHABILITATION LOAN AND GRANT PROGRAMS.
  - A. EXISTING LAW ALLOWS HOUSING AND REDEVELOPMENT AUTHORITIES TO MAKE REHABILITATION LOANS AND GRANTS ONLY IN THE SAME MANNER AND UNDER THE SAME CONDITIONS AS PROVIDED BY THE FEDERAL GOVERNMENT HOUSING ACT.
  - B. THIS BILL EXPANDS THE AUTHORITY OF HOUSING AND REDEVELOPMENT AUTHORITIES TO OPERATE HOUSING REHABILITATION LOAN AND GRANT PROGRAMS.
    1. THE HOUSING AND REDEVELOPMENT AUTHORITIES WILL NOW BE PERMITTED TO DEVELOP AND ADMINISTER LOAN AND GRANT PROGRAMS FOR PROPERTY OWNED BY LOW AND MODERATE INCOME PERSONS ON THE TERMS AND CONDITIONS IT DETERMINES.
    2. IN APPROVING APPLICATIONS FOR THIS PROGRAM, THE FOLLOWING FACTORS WILL BE CONSIDERED:
      - A. AVAILABILITY OF OTHER GOVERNMENTAL PROGRAMS AFFORDABLE BY THE APPLICANT.
      - B. AVAILABILITY AND AFFORDABILITY OF PRIVATE MARKET FINANCING.
      - C. WHETHER THE HOUSING IS REQUIRED, PURSUANT TO AN URBAN RENEWAL PROGRAM OR A CODE ENFORCEMENT PROGRAM, TO BE REPAIRED, IMPROVED OR REHABILITATED.

EFFECTIVE DATE: AUGUST 1, 1979

## USURY BILL (HOME LOANS)

- I. EXTENDS THE FLOATING INTEREST RATE ON CONVENTIONAL HOME LOANS TO JULY 31, 1983.
  - A. EXISTING LAW WAS SET TO EXPIRE ON JULY 31, 1979, IF NO LEGISLATIVE ACTION TAKEN.
  - B. INTEREST RATE MAY CONTINUE TO FLOAT 2% ABOVE THE MONTHLY INDEX ON LONG-TERM GOVERNMENT BONDS.
  - C. PERMISSIBLE INTEREST RATE MUST CONTINUE TO BE PUBLISHED MONTHLY.
  - D. MAINTAINS THE INTEREST ON ESCROW ACCOUNTS PROVISION.
- II. MAKES CHANGES IN LOAN ASSUMPTION PROCEDURES AND ALLOWABLE FEES.
  - A. REQUIRES LENDERS TO PERMIT ASSUMPTION OF A MORTGAGE ON A ONE TO FOUR FAMILY DWELLING IF THE EXISTING BORROWER CONTINUES AFTER THE TRANSFER, TO BE LIABLE FOR THE REPAYMENT OF REMAINING INDEBTEDNESS.
    1. LENDER IS PROTECTED BECAUSE TWO PARTIES REMAIN LIABLE FOR REPAYMENT.
    2. LENDER MAY NOT CHARGE MORE THAN ONE-TENTH OF ONE PERCENT OF THE UNPAID PRINCIPAL FOR THIS TYPE OF ASSUMPTION.
  - B. REQUIRES LENDERS TO PERMIT AN ASSUMPTION AND RELEASE EXISTING BORROWER FROM ALL OBLIGATION IF:
    1. NEW BORROWER MEETS THE STANDARDS OF CREDIT WORTHINESS NORMALLY USED BY PERSONS IN THE BUSINESS OF MAKING CONVENTIONAL LOANS; AND,
    2. NEW BORROWER AGREES IN WRITING TO ASSUME OBLIGATIONS OF EXISTING BORROWER UNDER THE LOAN INSTRUMENTS.



3. LENDER MAY NOT CHARGE MORE THAN ONE PERCENT OF THE UNPAID PRINCIPAL FOR THIS TYPE OF ASSUMPTION.

C. ASSUMPTION PROVISIONS APPLY TO LOANS MADE ON OR AFTER THE EFFECTIVE DATE OF THE ACT.

EFFECTIVE DATE: AUGUST 1, 1979

## GRADUATED PAYMENT HOME MORTGAGES

- I. ALLOWS A FINANCIAL INSTITUTION TO MAKE GRADUATED PAYMENT HOME LOANS (REAL ESTATE LOAN WHERE INITIAL PERIODIC REPAYMENTS ARE LOWER THAN THOSE UNDER THE STANDARD REAL ESTATE LOAN, AND GRADUALLY RISE TO A POINT WHERE THEY REMAIN CONSTANT.
  - A. INTEREST RATE NOT TO EXCEED MAXIMUM LAWFUL INTEREST RATE (DETERMINED BY THE COMMISSIONER OF BANKING EACH MONTH)
  - B. WHEN REPAYMENTS OF LOAN ARE LESS THAN TOTAL ACCRUED OUTSTANDING INTEREST, THE EXCESS ACCRUED AND UNPAID INTEREST MAY BE ADDED TO THE OUTSTANDING LOAN BALANCE.
- II. REPAYMENTS OF PRINCIPAL AND INTEREST ON VARIABLE PAYMENT LOANS MAY INCREASE IN AMOUNTS NOT TO EXCEED THE FOLLOWING:
  - A. 7.5 PER CENT ANNUALLY DURING FIRST FIVE YEARS
  - B. 6.5 PERCENT ANNUALLY DURING A PERIOD OF SIX YEARS
  - C. 5.5 PERCENT ANNUALLY DURING A PERIOD OF SEVEN YEARS
  - D. 4.5 PERCENT ANNUALLY DURING A PERIOD OF EIGHT YEARS
  - E. 3.5 PERCENT ANNUALLY DURING A PERIOD OF NINE YEARS
  - F. 3 PERCENT ANNUALLY DURING A PERIOD OF TEN YEARS
    1. NO INCREASES AFTER FIRST TEN YEARS IN PRINCIPAL AND INTEREST
    2. PAYMENTS OF PRINCIPAL AND INTEREST MAY NOT BE CHANGED MORE THAN ONCE A YEAR
- III. BORROWERS SHALL HAVE THE RIGHT TO CONVERT AT ANY TIME TO A STANDARD NONGRADUATED PAYMENT MORTGAGE.
  - A. NO PENALTIES IF BORROWER CHOOSES TO CONVERT AT THE INTEREST RATE AND OUTSTANDING PRINCIPAL OF THE GRADUATED PAYMENT MORTGAGE.
- IV. PROVIDES FOR MATERIALS GIVING CLEAR EXPLANATION OF THE DIFFERENCE BETWEEN GRADUATED PAYMENT MORTGAGE AND STANDARD MORTGAGE.
- V. ALLOWS CREDIT UNIONS TO MAKE GRADUATED PAYMENT HOME LOANS.

## HEALTH-WELFARE-CORRECTIONS OMNIBUS APPROPRIATION

1980-81 BIENNIAL APPROPRIATION: 1.28 BILLION  
1978-79 BIENNIAL APPROPRIATION: 1.02 BILLION  
BUDGET INCREASE: 261.8 MILLION  
(26%)

### WELFARE

#### I. BUDGET HIGHLIGHTS

|   |        |
|---|--------|
| A. TOTAL WELFARE DEPARTMENT APPROPRIATION                                   | 1.078B |
| B. INCOME ASSISTANCE BENEFITS   | 126.5M |
| 1. A.F.D.C.   | 96.2M  |
| 2. GENERAL ASSISTANCE   | 19.8M  |
| 3. MINNESOTA SUPPLEMENTAL AID   | 10.4M  |
| C. MEDICAL PROGRAM BENEFITS   | 551.2M |
| 1. MEDICAL ASSISTANCE   | 456.9M |
| 2. GENERAL ASSISTANCE MEDICAL CARE  | 79.8M  |
| 3. CATASTROPHIC HEALTH EXPENSE<br>PROTECTION PROGRAM                        | 14.5M  |
| D. SOCIAL SERVICES  | 30.9M  |
| 1. DAY CARE   | 2.3M   |
| 2. COST OF CARE FOR MENTALLY RETARDED<br>AND EMOTIONALLY DISTURBED CHILDREN | 14.9M  |
| 3. PROGRAMS FOR THE AGED  | 6.3M   |
| A. FOSTER GRANDPARENTS PROGRAM  | 0.9M   |
| B. NUTRITION PROGRAM FOR ELDERLY  | 3.8M   |
| C. SENIOR COMPANION PROGRAM   | 0.6M   |

|   |        |
|---|--------|
| E. MENTAL HEALTH SERVICES   | 303.7M |
| 1. COMMUNITY MENTAL HEALTH CENTER<br>GRANTS-IN-AID  | 39.4M  |
| 2. MENTAL RETARDATION PROGRAMS  | 1.9M   |
| 3. MENTAL ILLNESS PROGRAMS  | 1.8M   |
| 4. CHEMICAL DEPENDENCY PROGRAM<br>(GOVERNOR'S BILL PROGRAMS FOR<br>UNDERSERVED POPULATIONS) | 8.3M   |
| 5. DEVELOPMENTAL ACHIEVEMENT CENTERS  | 20.8M  |
| 6. STATE HOSPITALS  | 206.6M |
| 7. STATE NURSING HOMES  | 22.4M  |

II. PROGRAM HIGHLIGHTS

- A. INCREASES A.F.D.C. AND GENERAL ASSISTANCE BENEFITS AND MEDICAL ASSISTANCE INCOME ELIGIBILITY 7% ON JULY 1, 1979 AND JULY 1, 1980.
- B. DECREASES THE ELIGIBILITY REQUIREMENTS FOR THE CATASTROPHIC HEALTH EXPENSE PROTECTION PROGRAM
- C. EXTENDS MEDICAL ASSISTANCE TO IN-HOME SERVICES WHICH ARE PRESCRIBED BY A PHYSICIAN, SUPERVISED BY A REGISTERED NURSE, AND PERFORMED BY A PERSON OTHER THAN A FAMILY MEMBER.



ECONOMIC SECURITY

I. BUDGET HIGHLIGHTS

|   |       |
|---|-------|
| A. TOTAL HEALTH-WELFARE-CORRECTIONS APPROP. | 30.4M |
| B. VOCATIONAL REHABILITATION SERVICES       | 19.8M |
| 1. CONSUMER ADVOCACY                        | 7,200 |
| C. EMPLOYMENT AND TRAINING                  | 7.3M  |
| 1. SUMMER YOUTH EMPLOYMENT                  | 6.7M  |

HEALTH

I. BUDGET HIGHLIGHTS

|  |             |
|--|-------------|
| A. TOTAL HEALTH DEPARTMENT BUDGET              | 46.0M       |
| B. DISEASE CONTROL                             | 1.3M        |
| C. PREVENTATIVE CARE AND EARLY<br>INTERVENTION | 2.6M        |
| 1. FAMILY PLANNING                             | 2.2M        |
| D. SERVICES TO HANDICAPPED CHILDREN            | 5.5M        |
| E. COMMUNITY HEALTH SERVICES                   | UNAVAILABLE |
| 1. MIGRANTS IN ACTION PROGRAM                  | 50,000      |
| F. ENVIRONMENTAL HEALTH                        | 4.0M        |
| G. HEALTH SYSTEMS QUALITY ASSURANCE            | 4.4M        |
| H. HEALTH RELATED BOARDS                       | 3.0M        |

CORRECTIONS

I. BUDGET HIGHLIGHTS

|   |        |
|---|--------|
| A. TOTAL CORRECTIONS DEPARTMENT APPROP.                 | 110.0M |
| B. CORRECTIONS INSTITUTIONS                             | 62.5M  |
| C. COMMUNITY CORRECTIONS                                | 21.9M  |
| D. COMMUNITY BASED SERVICES AND<br>RESIDENTIAL PROGRAMS | 2.8M   |
| E. BATTERED WOMEN PROGRAM                               | 3.0M   |
| F. VICTIMS OF SEXUAL ASSAULT PROGRAM                    | 0.6M   |
| G. CRIME VICTIM CRISIS CENTERS                          | 0.4M   |
| H. CORRECTIONS OMBUDSMAN                                | 0.45M  |
| I. SENTENCING GUIDELINES COMMISSION                     | 0.39M  |

## HUMAN SERVICES BOARDS

- I. REMOVES THE 50,000 POPULATION REQUIREMENT FOR FORMATION OF SINGLE-COUNTY OR DUAL-COUNTY HUMAN SERVICES BOARDS.
  - A. EXEMPTS HUMAN SERVICES BOARDS FROM THE POPULATION REQUIREMENTS OF THE COMMUNITY HEALTH SERVICES AND COMMUNITY CORRECTIONS ACTS AND THE COMMUNITY MENTAL HEALTH PROGRAM.
  - B. RE-ESTABLISHES THE AUTHORITY OF COUNTY COMMISSIONER BOARDS TO ASSUME THE POWERS AND DUTIES OF A SINGLE-COUNTY HUMAN SERVICES BOARD.
- II. EXTENDS THE START-UP TIME AND POWERS FOR NEWLY FORMING HUMAN SERVICES BOARDS.
  - A. AUTHORIZES THE FORMATION OF TEMPORARY HUMAN SERVICES BOARDS.
  - B. EXTENDS THE TIME FOR DEVELOPMENT OF A BOARD'S INITIAL PLAN AND BUDGET FROM SIX MONTHS TO ONE YEAR.
  - C. REMOVES THE DOLLAR LIMIT FOR PLANNING GRANTS TO COUNTIES DURING THE START-UP PERIOD.
  - D. RE-ENACTS WITHDRAWAL OF HUMAN SERVICES POWERS AND DUTIES FROM OTHER AGENCIES ONE YEAR AFTER APPROVAL OF A HUMAN SERVICES BOARD'S INITIAL PLAN AND BUDGET.
- III. REQUIRES HUMAN SERVICES BOARDS TO DEVELOP A SINGLE ANNUAL PLAN FOR DEVELOPMENT, IMPLEMENTATION AND OPERATION OF SERVICES DELIVERED OR FUNDED BY THE BOARD.
  - A. PUBLIC HEARING, PUBLIC REVIEW PROCESS, AND PARTICIPATION BY PRIVATE SERVICE PROVIDERS REQUIRED.
  - B. PLAN REVIEW BY EACH STATE AGENCY FUNDING HUMAN SERVICES BOARD PROGRAMS.
  - C. PLAN TO REPLACE CURRENT SEPARATE PLAN REQUIREMENTS FOR HEALTH, WELFARE AND CORRECTIONS SERVICES.
- IV. REQUIRES APPOINTMENT OF A HUMAN SERVICES DIRECTOR BY EACH HUMAN SERVICES BOARD.
- V. RE-ESTABLISHES STATE PLANNING AGENCY RESPONSIBILITIES FOR HUMAN SERVICES BOARDS.

-MORE-

- VI. INCREASES FLEXIBILITY OF HUMAN SERVICES BOARD ADVISORY COMMITTEES.
- A. PERMITS UP TO ONE-HALF THE TERMS OF MEMBERS OF AN INITIAL ADVISORY COMMITTEE TO BE ONE YEAR, RATHER THAN THE REGULAR TWO-YEAR TERM.
  - B. PERMITS MORE THAN ONE MEMBER EACH FROM THE LOCAL COMMUNITY HEALTH BOARD AND COMMUNITY CORRECTION BOARD ADVISORY COMMITTEES.
  - C. PERMITS FLEXIBILITY IN THE NUMBER OF PERMANENT ADVISORY COMMITTEE TASK FORCES.



## STADIUM BILL

- I. REQUIRES THE SPORTS COMMISSION TO MAKE A REVISED DETERMINATION ON THEIR PRIOR STADIUM SITE DECISION USING THE FOLLOWING GUIDELINES:
  - A. THE FACILITY MAY BE COVERED.
  - B. THE STADIUM MUST BE LOCATED IN HENNEPIN COUNTY.
  - C. THE FINAL DECISION MAY INCLUDE THE USE OF METROPOLITAN STADIUM FOR BASEBALL.
  - D. A DECISION IS REQUIRED WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE ACT.
- II. FINANCING OF THE STADIUM PROJECT WILL BE:
  - A. REVENUE BONDS BACKED BY A CITYWIDE HOTEL-MOTEL AND LIQUOR TAX.
  - B. CONSTRUCTION CANNOT PROCEED UNTIL THE CITY COUNCIL AGREES TO LEVY THOSE TAXES.
  - C. NO PROPERTY TAXES ARE INVOLVED.
- III. REQUIRES PROFESSIONAL SPORTS TEAMS TO SIGN AN AGREEMENT THAT THEY WILL PLAY IN THE NEW STADIUM UNTIL THE BONDS ARE RETIRED. THE AGREEMENT MAY INCLUDE AN ESCAPE CLAUSE ALLOWING A TEAM TO TERMINATE THE AGREEMENT IF FINANCIAL CONDITIONS WARRANT TERMINATION.
- IV. ALLOWS THE SPORTS COMMISSION TO CONTRACT WITH A PRIVATE DONOR TO BUY ALL REMAINING TICKETS WHEN MORE THAN 90%, BUT LESS THAN 100%, OF THE TICKETS ARE SOLD THREE DAYS BEFORE GAME TIME.
- V. REQUIRES A PERFORMANCE BOND TO COVER ANY COSTS WHICH MAY BE INCURRED OVER AND ABOVE THE CERTIFIED CONSTRUCTION PRICE.
- VI. NO MONEY FROM THE HIGHWAY USER TAX FUND CAN BE USED TO CONSTRUCT ACCESS ROADS TO THE NEW SPORTS FACILITY UNTIL THE LEGISLATURE INCREASES THE STATE'S GAS TAX.

VII. REAL PROPERTY AT METROPOLITAN STADIUM WHICH IS NO LONGER NEEDED FOR SPORTS FACILITIES MUST BE SOLD OR LEASED FOR COMMERCIAL DEVELOPMENT WITHIN TWO YEARS TO A PRIVATE, FOR PROFIT, ENTITY.

STADIUM LIQUOR TAX REPEAL

- I. REPEALS THE 2% ON-SALE LIQUOR TAX AUTHORITY OF THE METROPOLITAN SPORTS FACILITIES COMMISSION. PAYMENT OF BONDS WOULD BE FROM:
  - A. REVENUE FROM THE OPERATION OF THE SPORTS FACILITY.
  - B. ANY ADDITIONAL AVAILABLE REVENUE OF THE COMMISSION.
- II. TAX IS REPEALED IN THE FOLLOWING COUNTIES:
  - A. ANOKA, CARVER, DAKOTA, HENNEPIN, RAMSEY, SCOTT, WASHINGTON.
- III. THIS WAS THE FIRST OF SEVERAL EFFORTS TO CHANGE THE METHOD OF FINANCING A MULTI-PURPOSE SPORTS FACILITY.

## MUNICIPAL CONSOLIDATION BILL

- I. THE KEY PROVISIONS OF THIS BILL ARE DESIGNED TO ENSURE MORE CITIZEN INPUT IN THE CONSOLIDATION PROCESS.
  - A. WOULD REQUIRE MUNICIPAL BOARD IN EACH PROPOSED CONSOLIDATION TO APPOINT A CITIZENS' CONSOLIDATION COMMISSION INCLUDING REPRESENTATIVES OF EACH MUNICIPALITY AFFECTED.
    1. AT LEAST FIVE REPRESENTATIVES FROM EACH MUNICIPALITY.
    2. MEMBERS RECOMMENDED BY CITY COUNCILS.
    3. THE MUNICIPAL BOARD WOULD APPOINT A COMMISSION CHAIRPERSON FROM THE AFFECTED COUNTY--BUT NOT FROM ONE OF THE MUNICIPALITIES INVOLVED.
  - B. THE CONSOLIDATION COMMISSION WOULD HOLD PUBLIC HEARINGS AND REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE MUNICIPAL BOARD.
    1. BOARD COULD ACCEPT, AMEND, CALL FOR FURTHER STUDY OR REJECT CITIZENS' COMMISSION FINDINGS.
    2. BOARD WOULD STILL MAKE DECISION ON ITS ASSESSMENT OF MUNICIPALITIES' BEST INTERESTS.
      - A. BUT COMMISSION REPORT WOULD PLAY A BIG PART.
- II. CHANGES THE METHOD FOR MAKING CONSOLIDATION EFFECTIVE.
  - A. CURRENT LAW REQUIRES BOTH ADOPTION BY INVOLVED CITY COUNCILS AND REFERENDUM APPROVAL.
  - B. NEW LAW WOULD ELIMINATE NEED FOR REFERENDUM IF PROCEEDINGS INITIATED BY VOTER PETITION.
    1. HOWEVER, TEN PERCENT OF VOTERS COULD STILL DEMAND A REFERENDUM.
    2. THE REFERENDUM WOULD REQUIRE A MAJORITY VOTE FROM EACH MUNICIPALITY REQUIRED.

- C. NEW LAW WOULD ELIMINATE THE NEED FOR APPROVAL BY CITY COUNCILS IF THOSE COUNCILS INITIATED THE PROCEEDINGS.
- D. LAW ALSO ALLOWS VOTERS TO OVERTURN CITY COUNCIL VETO OF CONSOLIDATIONS IN CASES WHERE CITY COUNCIL DISAPPROVED A CONSOLIDATION WHICH HAS BEEN APPROVED BY THE BOARD.
  - 1. THIS REVERSE REFERENDUM ALLOWS LOCAL RESIDENTS TO FORCE CONSOLIDATION IN THE CASE OF RELUCTANT LOCAL OFFICIALS.
  - 2. BASICALLY, THE REFERENDUM AND REVERSE REFERENDUM PROCEEDINGS GIVE VOTERS THE LAST SAY EITHER WAY.



BUILDING CODE AMENDMENT TO THE CONSOLIDATION BILL

- I. ALLOWS THE COUNTY BOARD OF ANY NON-METROPOLITAN COUNTY TO CARRY OUT A REFERENDUM ON THE APPLICATION OF THE STATE BUILDING CODE IN THE COUNTY.
  - A. COUNTY MAY INITIATE REFERENDUM ON ITS OWN, AND MUST INITIATE A REFERENDUM UPON RECEIVING A PETITION WITH SIGNATURES EQUAL TO FIVE PERCENT OF THOSE VOTING IN THE LAST GENERAL ELECTION.
  - B. QUESTION SHALL BE PHRASED SUBSTANTIALLY AS "SHALL THE STATE BUILDING CODE BE ADOPTED IN \_\_\_\_\_ COUNTY."
- II. IF MAJORITY OF VOTES CAST ARE NEGATIVE, BUILDING CODE WILL NOT APPLY IN THAT COUNTY.
  - A. EXCEPT THAT IT SHALL APPLY IN MUNICIPALITIES THAT ADOPTED IT VOLUNTARILY BEFORE JANUARY 1, 1977.
    - 1. RESIDENTS OF THOSE MUNICIPALITIES WILL NOT VOTE IN THE REFERENDUM.
  - B. IN ADDITION, THE BUILDING REQUIREMENTS RELATED TO THE HANDICAPPED SHALL REMAIN IN FORCE.
  - C. A MUNICIPALITY MAY STILL VOLUNTARILY ADOPT THE CODE, BUT A SUCCESSFUL REFERENDUM (NEGATIVE) WOULD ELIMINATE ANY REQUIREMENT TO DO SO.

ADDITIONAL FLEXIBILITY FOR SMALL COUNTIES WISHING TO  
SECURE FEDERAL SECTION 8 HOUSING FUNDS

- I. IN THE PAST, SMALL COUNTIES, WHICH DO NOT HAVE HOUSING AND REDEVELOPMENT AUTHORITIES, HAVE BEEN UNABLE TO OBTAIN FEDERAL "SECTION 8" HOUSING FUNDS.
  - A. WHICH ARE USED TO PROVIDE SUBSIDIZED APARTMENTS FOR LOW OR MODERATE INCOME FAMILIES AND THE ELDERLY.
- II. IT HAS BEEN TOO COSTLY AND ADMINISTRATIVELY DIFFICULT FOR THOSE SMALLER COUNTIES (AND MUNICIPALITIES) TO SET UP THEIR OWN HOUSING AND REDEVELOPMENT AUTHORITIES.
  - A. YOU MUST HAVE SUCH AN APPROVED AGENCY IN ORDER TO SECURE THE FEDERAL FUNDS.
- III. THIS BILL WOULD ALLOW SUCH COUNTIES OR MUNICIPALITIES TO JOIN OR COOPERATE WITH EXISTING HRA'S IN NEARBY COMMUNITIES OR COUNTIES:
  - A. FOR THE PURPOSE OF SECURING FUNDING FOR SUBSIDIZED APARTMENT PROGRAMS ONLY. (SECTION 8 FUNDS).
  - B. WILL BE ESPECIALLY BENEFICIAL IN RURAL AREAS, WHERE THE HOUSING PROGRAMS ARE NEEDED, BUT SMALL COUNTIES AND MUNICIPALITIES ARE UNABLE TO ESTABLISH OR SUPPORT THEIR OWN HRA'S.

## INSTALLMENT PURCHASES BY 2ND CLASS CITIES

- I. ALLOWS 2ND CLASS HOME RULE CHARTER CITIES TO PURCHASE UNDER AN INSTALLMENT CONTRACT.
  - A. REAL PROPERTY.
  - B. PERSONAL PROPERTY.
- II. 3RD AND 4TH CLASS HOME RULE CHARTER CITIES WERE PREVIOUSLY COVERED BY THIS LAW.
- III. 2ND CLASS HOME RULE CHARTER CITIES AFFECTED BY LAW ARE AUSTIN, BLAINE, BLOOMINGTON, BROOKLYN CENTER, BROOKLYN PARK, COLUMBIA HEIGHTS, COON RAPIDS, CRYSTAL, FRIDLEY, MANKATO, MINNETONKA, MOORHEAD, RICHFIELD, ROCHESTER, ST. CLOUD, ST. LOUIS PARK, SOUTH ST. PAUL, WHITE BEAR LAKE, WINONA.

LIMITS ON ATTORNEYS' FEES

- I. THE BOARD OF SUPERVISORS OF ANY MINNESOTA TOWN MAY EMPLOY AN ATTORNEY AND PAY UP TO \$5,000 IN ANNUAL ATTORNEYS' FEES.
  - A. THE BILL INCREASES THOSE FEES FROM THE PREVIOUS \$1,000 LIMIT.
    1. LOCAL GOVERNMENTS HAD ARGUED THAT THE \$1,000 CEILING DID NOT ADEQUATELY REFLECT TODAY'S ECONOMIC REALITIES.

PETITION FOR EXAMINATION OF MUNICIPAL RECORDS

- I. PROVIDES FOR METHOD TO REQUEST AN EXAMINATION OF MUNICIPAL RECORDS IN HOME RULE CHARTER OR STATUTORY CITIES.
  - A. BY PETITION SIGNED BY 20% OF THE REGISTERED VOTERS VOTING IN THE LAST PRESIDENTIAL ELECTION.
  - B. PETITION SHALL NOT HAVE LESS THAN 25 REGISTERED VOTERS.
- II. REQUIRES THE CITY, AS WELL AS THE COUNTY AUDITOR, BE NOTIFIED WHEN THE PETITION IS CERTIFIED.
- III. LAW FORMERLY ALLOWED FREEHOLDERS (OWNERS OF PROPERTY WHO DO NOT NECESSARILY LIVE IN THE CITY) TO SIGN THE PETITION, AND DID NOT REQUIRE THAT A COPY BE PRESENTED TO THE CITY OFFICIALS.



## MUNICIPAL GAS AGENCIES

- I. PERMITS TWO OR MORE MUNICIPALITIES TO JOIN TOGETHER INTO A SEPARATE MUNICIPAL CORPORATION KNOWN AS A MUNICIPAL GAS AGENCY.
  - A. THIS AGENCY WOULD HAVE THE AUTHORITY TO PRODUCE, EXPLORE FOR, TRANSMIT AND STORE GAS RESOURCES.
  - B. THE AGENCY MAY ENTER INTO CONTRACTS RELATING TO THE ACQUISITION, OPERATION, DISPOSAL OR LEASING OF RELATED PROJECTS OR SALE OF RELATED SERVICES.
- II. PROVIDES FOR THE FORMAL STEPS FOR THE FORMULATION OF A MUNICIPAL GAS AGENCY BY TWO OR MORE CITIES.
- III. DEFINES THE POWERS AND LIMITATIONS OF AUTHORITY OF THE GAS AGENCIES.
- IV. DETAILS DESCRIPTION OF THE GAS AGENCIES' AUTHORITY TO ISSUE REVENUE BONDS OR NOTES TO FINANCE ITS ACTIVITIES AND PROCEDURES TO BE FOLLOWED IN THEIR ISSUANCE.
- V. AUTHORIZES A GAS AGENCY TO EXERCISE THE POWER OF EMINENT DOMAIN IN CONFORMITY WITH MINNESOTA STATUTES, CHAPTER 117, EXCEPT THAT IT COULD NOT EXERCISE THE POWER TO ACQUIRE THE FACILITIES OR ANY OTHER GAS DISTRIBUTION OR TRANSMISSION FACILITY.
- VI. PROVIDES THAT A SINGLE CITY BY RESOLUTION MAY EXERCISE ANY OF THE POWERS OF A MUNICIPAL GAS AGENCY.

### SPECIAL LAWS - LOCAL APPROVAL

- I. A SPECIAL LAW, AS DEFINED BY THE MINNESOTA CONSTITUTION, SHALL NAME THE LOCAL GOVERNMENT UNIT TO WHICH IT APPLIES.
  - A. IF A SPECIAL LAW APPLIES TO A GROUP OF LOCAL GOVERNMENT UNITS, OR A NUMBER OF CONTIGUOUS COUNTIES, THE LAW MUST ONLY NAME THE COUNTY OR COUNTIES WHERE THE AFFECTED UNITS ARE SITUATED.
  - B. THE LOCAL UNIT OR UNITS AFFECTED BY A SPECIAL LAW MUST APPROVE THE LAW BEFORE IT BECOMES EFFECTIVE. EXCEPTIONS TO THE LOCAL APPROVAL ARE AS FOLLOWS:
    1. THE LAW ENABLES ONE OR MORE LOCAL GOVERNMENT UNITS TO EXERCISE AUTHORITY NOT GRANTED BY A GENERAL LAW.
    2. THE LAW BRINGS A LOCAL GOVERNMENT UNIT WITHIN THE GENERAL LAW BY REPEALING A SPECIAL LAW, BY REMOVING AN EXCEPTION TO THE APPLICABILITY OF A GENERAL STATUTORY PROVISION, BY EXTENDING THE APPLICABILITY OF A GENERAL STATUTORY PROVISION OR BY RECLASSIFYING LOCAL GOVERNMENT UNITS.
    3. THE LAW APPLIES TO A SINGLE UNIT OR A GROUP OF UNITS WITH A POPULATION OF MORE THAN 1,000,000 PEOPLE.
  - C. WHERE LOCAL APPROVAL IS REQUIRED BY THIS LAW, IT SHALL BE IN THE FORM OF A RESOLUTION ADOPTED BY A MAJORITY VOTE OF ALL MEMBERS OF THE GOVERNING BODY OF THE UNIT.

D. ANOTHER FORM OF APPROVAL MAY BE SPECIFIED BY THE  
PARTICULAR SPECIAL LAW.

EFFECTIVE DATE: AUGUST 1, 1979.

BWCA COMMITTEE

- I. PROVIDES FOR THE ESTABLISHMENT OF A BWCA CITIZENS' ADVISORY COMMITTEE.
  - A. 17 MEMBERS, INCLUDING THE CHAIR, SHALL BE APPOINTED BY THE GOVERNOR.
  - B. QUALIFICATIONS OF MEMBERSHIP.
    - 1. ST. LOUIS COUNTY, THREE MEMBERS.
    - 2. COOK COUNTY, THREE MEMBERS.
    - 3. LAKE COUNTY, THREE MEMBERS.
    - 4. ALL OTHER COUNTIES, EIGHT MEMBERS.
  - C. PURPOSE: TO CONDUCT MEETINGS AND RESEARCH INTO ALL MATTERS RELATING TO THE ESTABLISHMENT AND OPERATION OF THE BWCA.
  - D. APPROPRIATIONS, JULY 1, 1979, THROUGH JUNE 30, 1981, \$60,000.
  - E. LIMITATIONS.
    - 1. CANNOT ACCEPT FUNDS FROM ANY SOURCE, PUBLIC OR PRIVATE, EXCEPT THE LEGISLATURE.
  - F. COMMISSION EXPIRES, JUNE 30, 1983.

THIS BILL EFFECTIVE JULY 1, 1979.

TAX-FORFEITED LANDS

- I. THIS BILL, DELEGATING AUTHORITY TO THE COUNTY, WITH THE APPROVAL OF THE DNR COMMISSIONER, PROVIDES FOR THE USE OF CERTAIN TAX-FORFEITED LANDS.
- II. THE COUNTY MAY DO THE FOLLOWING:
  - A. SELL TIMBER UNDER CERTAIN SPECIFIED CONDITIONS.
  - B. LEASE THE LAND FOR RECREATIONAL, AGRICULTURAL OR COMMERCIAL PURPOSES.
  - C. PERMIT THE DEPOSIT OF IRON ORE TAILINGS OR OTHER INDUSTRIAL WASTES UPON THE LAND.

EFFECTIVE DATE: AUGUST 1, 1979



INDEMNITY AGAINST TORT CLAIMS

- I. REQUIRES THAT MUNICIPALITIES SHALL PROVIDE FOR EMPLOYEES OR OFFICERS LIABILITY INSURANCE AND DEFENSE AGAINST JUDGMENTS IN AMOUNTS PAID IN CONNECTION WITH TORT CLAIMS.
  - A. INCURRED WITHIN THE SCOPE OF EMPLOYMENT OR OFFICIAL DUTIES.
- II. PROVISION DOES NOT APPLY IN THE CASE OF MALFEASANCE IN OFFICE OR WILLFUL NEGLECT OF DUTY.

## SCHOOL DISTRICT PAIRING

- I. THE SCHOOL BOARDS OF TWO OR MORE DISTRICTS MAY AGREE TO DISCONTINUE ANY GRADES OR PORTIONS OF GRADES IN ONE DISTRICT AND PROVIDE INSTRUCTION IN A NEIGHBORING DISTRICT.
  - A. A DISTRICT WHICH DISCONTINUES ANY GRADES MUST STILL MAINTAIN A SCHOOL WITH PUPILS ENROLLED IN AT LEAST THREE GRADES.
  - B. PUPILS ATTENDING SCHOOL IN A NEIGHBORING SCHOOL DISTRICT SHALL BE COUNTED AS RESIDENT PUPILS IN THEIR ORIGINAL DISTRICT FOR SCHOOL AID PURPOSES.
    1. A DISTRICT WHICH SENDS ITS PUPILS TO A NEIGHBORING DISTRICT CAN CONTINUE TO PROVIDE TRANSPORTATION SERVICES AND COLLECT TRANSPORTATION AIDS FOR ITS RESIDENT PUPILS.
      - A. THE EDUCATION COMMISSIONER MAY ADJUST TRANSPORTATION BASE COSTS FOR AID PURPOSES TO REFLECT COST CHANGES THAT RESULTED FROM SCHOOL PAIRING.
  - C. THE SCHOOL BOARD AND TEACHER'S BARGAINING REPRESENTATIVE IN EACH DISTRICT THAT DISCONTINUES GRADES MAY NEGOTIATE A PLAN FOR TEACHERS WHOSE POSITIONS ARE DISCONTINUED AS A RESULT OF THE PAIRING AGREEMENT.
    1. THAT PLAN MAY INCLUDE ASSIGNMENT OR EMPLOYMENT IN A COOPERATING DISTRICT OR PLACEMENT ON AN UNREQUESTED LEAVE OF ABSENCE.
  - D. IF COMPATIBLE PLANS FOR THOSE TEACHERS CANNOT BE NEGOTIATED, TEACHERS WHO HAVE ACQUIRED CONTINUING CONTRACT RIGHTS, AND WHOSE POSITIONS ARE TERMINATED

DUE TO THE AGREEMENT, SHALL, AS FAR AS POSSIBLE:

1. BE EMPLOYED OR ASSIGNED AS EXCHANGE TEACHERS IN A COOPERATING DISTRICT.
  2. OR BE PLACED ON UNREQUESTED LEAVES OF ABSENCE IN FIELDS IN WHICH THEY ARE LICENSED, IN THE INVERSE ORDER IN WHICH THEY WERE EMPLOYED AND ACCORDING TO A COMBINED SENIORITY LIST OF TEACHERS IN THE COOPERATING DISTRICTS.
- E. BEFORE DISCONTINUING ANY GRADES A LOCAL SCHOOL BOARD MUST HOLD AN OPEN COMMUNITY MEETING AND PUBLISH A NOTICE OF THEIR INTENT FOR PARENTS OF PUPILS WHO WOULD BE AFFECTED BY THE PLAN.
- F. THIS LEGISLATION DOES NOT ALLOW THE DISCONTINUATION OF ANY GRADES OR PROGRAMS PRIOR TO THE 1979-1980 SCHOOL YEAR.

SMALL BUSINESS POLLUTION CONTROL LOANS

- I. REQUIRES POLLUTION CONTROL AGENCY TO PREPARE FOR A SMALL BUSINESS THE CERTIFICATION STATEMENT FOR A POLLUTION CONTROL EQUIPMENT LOAN THROUGH THE FEDERAL WATER POLLUTION CONTROL ACT.
  - A. CERTIFICATION SHALL STATE:
    1. APPLICANT'S PROPOSED ADDITIONS TO EQUIPMENT FACILITIES.
    2. THAT METHODS OF OPERATION ARE NECESSARY AND ADEQUATE TO COMPLY WITH REQUIREMENTS OF FEDERAL WATER POLLUTION CONTROL ACT.
- II. ALLOWS PCA TO IDENTIFY SMALL BUSINESSES ELIGIBLE FOR LOANS.
- III. REQUIRES PCA TO:
  - A. PROVIDE INFORMATION AND ASSISTANCE REGARDING SBA GUARANTEE ON PAYMENT OF POLLUTION CONTROL FACILITY REVENUE BONDS.
  - B. ASSIST GOVERNMENTAL UNITS IN COORDINATING ISSUANCE OF BONDS TO ALLOW FOR CONVENIENT SALE.

UNIVERSITY OF MINNESOTA SMALL BUSINESS SET-ASIDE PROGRAM

- I. THE REGENTS OF THE U. OF M., SHALL SET-ASIDE APPROXIMATELY 20 PERCENT OF THE VALUE OF PROCUREMENT CONTRACTS (WRITTEN OR ORAL AGREEMENTS FOR GOODS AND SERVICES) THAT ARE PAID FROM FUNDS APPROPRIATED BY THE LEGISLATURE.
  - A. THIS EXTENDS THE APPLICATION OF THE SMALL BUSINESS SET-ASIDE PROGRAM BEGUN BY THE 1975 LEGISLATURE.
  - B. ENACTMENT OF THIS LEGISLATION WAS RECOMMENDED BY THE 1978 MINNESOTA TASK FORCE ON SMALL BUSINESS.
- II. AT LEAST 15 PERCENT OF THE VALUE OF SUCH CONTRACTS ARE TO BE AWARDED, IF POSSIBLE, TO SMALL BUSINESSES OWNED AND OPERATED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED PERSONS.

AGRICULTURE COMMISSIONER - LOGO TO IDENTIFY MINNESOTA PRODUCTS

- I. COMMISSIONER OF AGRICULTURE TO ESTABLISH LOGO OR LABELING STATEMENT FOR IDENTIFYING MINNESOTA GROWN, PROCESSED OR MANUFACTURED PRODUCTS.
  - A. COMMISSIONER TO PROMULGATE RULES GOVERNING USE OF LOGO OR STATEMENT.
  - B. THIS SECTION OF LAW IS TO BE ADDED TO THE "PROMOTIONAL ACTIVITIES" SECTION OF THE AGRICULTURE CHAPTER IN THE STATUTES.
- II. LOGO OR LABELING STATEMENT SHALL NOT SUPERSEDE OR REPLACE ANY FEDERAL LABEL OR GRADE STANDARD REQUIRED BY LAW.
  - A. USE OF SUCH LOGO OR STATEMENT DISCRETIONARY WITH GROWER, PROCESSOR OR MANUFACTURER.



RELATING TO TACONITE AND SEMI-TACONITE COMPANIES

- I. REPEALS SECTIONS 117.461 WHICH GRANT THE RIGHT OF EMINENT DOMAIN TO ANY CORPORATION OR ASSOCIATION ENGAGED IN THE BUSINESS OF MINING AND BENEFICIATING TACONITE AND SEMI-TACONITE.
- II. GRANTS AUTHORITY TO THE COMMISSIONER OF NATURAL RESOURCES TO GRANT PERMITS, LICENSES OR LEASES ON AND ACROSS STATE-OWNED LANDS TO ANY CORPORATION OR ASSOCIATION ENGAGED IN THE BUSINESS OF MINING AND BENEFICIATING TACONITE OR SEMI-TACONITE.
  - A. PERMITS, LICENSES OR LEASES FOR THE PURPOSE OF GRANTING EASEMENTS, RIGHTS OF TRANSPORT, DEPOSITING OF TAILINGS AND THE CONSTRUCTION OF FACILITIES NECESSARY FOR THE CARRYING ON OF BUSINESS.
  - B. ALSO GRANTS WATER RIGHTS WHERE APPROPRIATE AND NECESSARY.
- III. ALL PROCEEDS FROM THE GRANTING OF LICENSES, PERMITS OR LEASES SHALL BE APPORTIONED AND DISTRIBUTED AS OTHER PROCEEDS FROM THE SALE OR RENTAL OF TAX-FORFEITED LANDS.

THIS ACT IS EFFECTIVE THE DAY FOLLOWING FINAL ENACTMENT.

SALES TAX EXEMPTION FOR ELDERLY CITIZENS' ASSOCIATIONS

- I. THIS LEGISLATION PROVIDES A SALES TAX EXEMPTION FOR PURCHASES MADE BY "ASSOCIATIONS OR GROUPS THAT IN GENERAL LIMIT MEMBERSHIP TO PERSONS AGE 55 AND OLDER" AND ARE OPERATED FOR NON-PROFIT PURPOSES.

EFFECTIVE THE DAY FOLLOWING ENACTMENT.

PETS IN NURSING HOMES

- I. PERMITS NURSING HOMES, HOSPITALS AND OTHER INSTITUTIONAL CARE FACILITIES TO KEEP ANIMALS ON THE PREMISES, AS PETS.
  - A. SUBJECT TO REASONABLE RULES REGULATING THE TYPE, MAINTENANCE AND CARE OF THE PET.

EFFECTIVE AUGUST 1, 1979

## NOTICE OF NURSING HOME RATE INCREASES

- I. REQUIRES NURSING HOMES TO NOTIFY THEIR PRIVATE PAY RESIDENTS, IN WRITING, 30 DAYS PRIOR TO RAISING THEIR PRIVATE RATES.
  - A. PROHIBITS PRIVATE RATE INCREASES FROM TAKING EFFECT UNTIL THE NOTICE REQUIREMENT HAS BEEN MET.
- II. PERMITS CERTAIN EXCEPTIONS.
  - A. PERMITS NURSING HOMES TO RAISE THEIR PRIVATE RATES WITHOUT NOTICE IF THE PURPOSE OF THE INCREASE IS:
    1. TO REFLECT A NECESSARY CHANGE IN THE LEVEL OF A PATIENT'S CARE.
    2. TO DECREASE PRIVATE RATES TO THE SAME LEVEL OF RATES REIMBURSED UNDER MEDICAL ASSISTANCE, AS REQUIRED BY LAW.
- III. SINCE PRIVATE RATES CANNOT BY LAW BE HIGHER THAN MEDICAL ASSISTANCE REIMBURSEMENT RATES, THE EFFECT OF THE LAW WILL BE TO REQUIRE 30 DAYS NOTICE TO PRIVATE PATIENTS WHEN THEIR RATES ARE BEING INCREASED TO REFLECT AN INCREASE IN MEDICAL ASSISTANCE RATES.

EFFECTIVE AUGUST 1, 1979

INHERITANCE RIGHTS OF ADOPTED CHILDREN

- I. PROVIDES AN EXCEPTION TO THE LAW BARRING AN ADOPTED CHILD FROM INHERITING FROM HIS/HER NATURAL PARENTS.
  - A. PERMITS AN ADOPTED CHILD TO INHERIT FROM A DECEASED NATURAL PARENT.
    1. IF THE CHILD HAS BEEN ADOPTED BY A STEPPARENT WHO IS THE SPOUSE OF THE SURVIVING NATURAL PARENT, AND
    2. THE ADOPTION OCCURS AFTER THE DEATH OF THE NATURAL PARENT.

EFFECTIVE AUGUST 1, 1979

## DAY CARE ZONING

- I. INCREASES THE MAXIMUM NUMBER OF PERSONS A LICENSED DAY CARE FACILITY LOCATED ON RESIDENTIALLY-ZONED PROPERTY MAY SERVE FROM SIX TO TEN.
- II. APPLIES TO ANY PUBLIC OR PRIVATE FACILITY OR HOME WHICH:
  1. PROVIDES CARE, SUPERVISION, TRAINING, DEVELOPMENTAL GUIDANCE, HABILITATION OR REHABILITATION.
  2. ON A REGULAR BASIS FOR LESS THAN 24 HOURS A DAY.
  3. FOR CHILDREN OR PHYSICALLY HANDICAPPED, MENTALLY RETARDED, MENTALLY ILL OR CHEMICALLY DEPENDENT ADULTS.

EFFECTIVE AUGUST 1, 1979



## TERMINATION OF ADOPTION

- I. MAKES THE ADOPTIVE PARENTS AND THE CHILD PARTIES TO COURT PROCEEDINGS FOR TERMINATION OF ADOPTION, PRIOR TO FINAL ADOPTION.
  - A. IN CASES WHERE CONSENT FOR ADOPTION IS WITHDRAWN BY THE NATURAL PARENT.
  - B. IN CASES OF REVOCATION OF THE PLACEMENT AGREEMENT BY THE CHILD-PLACING AGENCY.
- II. MANDATES THAT THE SAME STATUTORY CRITERIA USED TO DETERMINE THE BEST INTERESTS OF THE CHILD IN CUSTODY DISPUTES BE USED TO DETERMINE THE BEST INTERESTS OF THE CHILD IN PROCEEDINGS FOR TERMINATION OF ADOPTION.
  - A. PROHIBITS ANY PRESUMPTION THAT FAVORS THE BIOLOGICAL PARENTS OVER THE ADOPTIVE PARENTS.

## ANTENUPTIAL CONTRACTS

- I. THE PURPOSE OF THIS LAW IS TO PREVENT LEGAL PROBLEMS THAT ARISE WHEN A PERSON WISHES TO LEAVE PROPERTY OBTAINED PRIOR TO MARRIAGE TO HIS/HER HEIRS, SUCH AS CHILDREN BY A PREVIOUS MARRIAGE.
- II. ALLOWS A MAN AND WOMAN OF LEGAL AGE TO ENTER INTO A CONTRACT PRIOR TO MARRIAGE WHICH SHALL BE VALID IF:
  - A. THERE IS FULL DISCLOSURE OF EARNINGS AND PROPERTY OF EACH PARTY.
  - B. THE PARTIES HAVE HAD AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.
    1. CONTRACT MAY DETERMINE WHAT RIGHTS EACH PARTY HAS IN THE NONMARITAL PROPERTY.
    2. CONTRACT MAY BAR EACH OTHER OF ALL RIGHTS IN THE ESTATES NOT SECURED TO THEM BY THEIR AGREEMENT.
- III. CONTRACTS MUST BE IN WRITING, EXECUTED IN PRESENCE OF TWO WITNESSES AND BEFORE A LOCAL OR STATE OFFICIAL AUTHORIZED TO ADMINISTER AN OATH.
  - A. CONTRACT MUST BE EXECUTED PRIOR TO THE MARRIAGE DAY.
- IV. CONTRACTS WHICH DETERMINE THE RIGHTS EACH HAS IN THE OTHER'S REAL PROPERTY MAY BE FILED IN EVERY COUNTY WHERE THE DESCRIBED REAL ESTATE IS LOCATED.
- V. CONTRACT SHALL BE PRIMA FACIE EVIDENCE AND BURDEN OF PROOF SHALL REST ON PERSON CONTESTING THE CONTRACT.
- VI. ACT APPLIES TO ALL ANTENUPTIAL CONTRACTS EXECUTED ON OR AFTER AUGUST 1, 1979.

DISCRIMINATION IN THE SALE OF MOTOR VEHICLE INSURANCE

- I. PROHIBITS DISCRIMINATION IN THE SALE OF MOTOR VEHICLE INSURANCE SOLELY ON THE BASIS OF A DISABILITY.
  - A. DISCRIMINATION IS PROHIBITED ON ACCOUNT OF PHYSICAL HANDICAP IF THE HANDICAP IS COMPENSATED FOR BY SPECIAL TRAINING, EQUIPMENT, PROSTHETIC DEVICE, CORRECTIVE LENSES OR MEDICATION, AND IF THE HANDICAPPED PERSON:
    1. IS LICENSED TO OPERATE A MOTOR VEHICLE IN THIS STATE, AND
    2. OPERATES ONLY VEHICLES WHICH ARE EQUIPPED WITH AUXILIARY DEVICES AND EQUIPMENT NECESSARY FOR SAFE AND EFFECTIVE OPERATION BY THE HANDICAPPED PERSON.
  - B. INSURANCE COMPANIES OR AGENTS VIOLATING THE LAW ARE SUBJECT TO A FINE OF NOT MORE THAN \$100 PER VIOLATION.
  - C. COMMISSIONER OF INSURANCE IS AUTHORIZED TO TREAT VIOLATIONS AS UNFAIR INSURANCE PRACTICES AND TO ENFORCE THIS PROVISION USING STANDARD PROCEDURES.
- II. REPEALS THE SECTION OF EXISTING LAW WHICH PROHIBITED INSURANCE COMPANIES FROM INCREASING INSURANCE PREMIUMS ON AUTOMOBILE POLICIES WHICH COVERED ENTIRE FAMILIES SIMPLY BECAUSE A HANDICAPPED MEMBER OF THE FAMILY HAD BEEN LEGALLY AUTHORIZED TO OPERATE A MOTOR VEHICLE.

EFFECTIVE DATE: AUGUST 1, 1979

## ADVANCE PAYMENT OF INSURANCE BENEFITS

- I. PROVIDES FOR ADVANCE PAYMENT OF CERTAIN BENEFITS UNDER POLICIES INSURING PERSONS WHO ARE ABSENT AND PRESUMED DEAD.
- II. PROCEDURE: BENEFICIARY MUST PETITION THE COURT AND SERVE NOTICE ON THE INSURER WHO ISSUED THE POLICY.
  - A. BENEFICIARY MUST BE SPOUSE, CHILD OR OTHER PERSON DEPENDENT UPON THE ABSENTEE INSURED PERSON.
  - B. EVIDENCE MUST BE SHOWN THAT THE INSURED IS MISSING AND WITH GOOD REASON PRESUMED TO BE DEAD.
  - C. IT MUST BE SHOWN THAT THE BENEFICIARY HAS NO SOURCE OF INCOME SUFFICIENT FOR SUPPORT AND MAINTENANCE AT AN ADEQUATE LEVEL.
- III. PROTECTION OF THE INSURANCE COMPANY.
  - A. INSURANCE COMPANY IS RELEASED FROM ANY LIABILITY TO THE EXTENT OF PAYMENTS MADE UNDER THE COURT ORDER.
  - B. IF ABSENTEE IS DECLARED DEAD AFTER ADVANCE PAYMENTS HAVE BEEN MADE PURSUANT TO THE COURTS' ORDER, THE AMOUNT PAYABLE UNDER THE POLICY SHALL BE REDUCED BY THE AMOUNT PAID OUT.
  - C. IF THE ABSENTEE RETURNS, THE INSURANCE COMPANY HAS THE RIGHT TO COLLECT THE AMOUNT PAID OUT FROM THE INSURED AND THE BENEFICIARY.
  - D. TO THE EXTENT THE INSURANCE COMPANY IS NOT REIMBURSED IT CAN REDUCE THE VALUE OF THE POLICY.

## VOCATIONAL TRAINING OF INMATES OF STATE CORRECTIONAL FACILITIES

- I. THE COMMISSIONER OF CORRECTIONS IS AUTHORIZED TO ESTABLISH A CORRECTIONAL INDUSTRIES PROGRAM THAT INCLUDES COMMERCIAL AS WELL AS INDUSTRIAL JOB OPPORTUNITIES.
  - A. THE OBJECTIVE OF EXPANDED WORK OPPORTUNITIES IS TO GIVE PRISONERS PROFITABLE AND MEANINGFUL JOBS WHILE SERVING THEIR TERMS.
  - B. THE COMMISSIONER OF CORRECTIONS IS DIRECTED TO CONSULT WITH THE BUSINESS AND INDUSTRIAL COMMUNITY AND WITH APPROPRIATE STATE DEPARTMENTS AND AGENCIES IN THE DESIGN OF THE PROGRAM.
  - C. OPPORTUNITY FOR THE GREATEST POSSIBLE INVOLVEMENT OF INMATES IN THE ADMINISTRATION, MANUFACTURE, ETC. ASPECTS OF THE INDUSTRIES PROGRAM IS REQUIRED.
- II. DIRECTORS OF CORRECTIONAL FACILITIES MAY ACCEPT WORK PROJECTS FROM OUTSIDE THE PRISON FOR PRODUCTION, REPAIR, ETC. WITHIN THE PRISON INDUSTRIES PROGRAM AT THAT SITE.
- III. A MINNESOTA CORRECTIONAL INDUSTRIES REVOLVING FUND IS ESTABLISHED COMBINING EARLIER FUNDS ALREADY IN EXISTENCE.
  - A. USES OF THE FUND INCLUDE (BUT ARE NOT LIMITED TO) THE PURCHASE OF EQUIPMENT, RAW MATERIALS, PAYROLLS, ETC.
  - B. ALL REVENUE FROM CORRECTIONAL INDUSTRIES ACTIVITIES MUST BE DEPOSITED IN THE FUND.
  - C. FUND DEPOSITS MUST BE PLACED IN THE STATE TREASURY AND PROPER VOUCHERS ARE REQUIRED FOR USE OF SUCH FUNDS.
  - D. THE COMMISSIONER OF CORRECTIONS IS AUTHORIZED TO BORROW FROM THE TREASURY AT AN ANNUAL INTEREST RATE OF NOT MORE THAN FOUR PERCENT, UP TO 50 PERCENT OF THE TOTAL NET WORTH OF THE CORRECTIONAL INDUSTRIES IN ANY ONE YEAR.

MANDATORY RETIREMENT - PUBLIC AND PRIVATE EMPLOYEES

- I. BRINGS STATE LAW INTO CONFORMITY WITH FEDERAL MANDATORY RETIREMENT LAW.
  - A. DELETES PREVIOUS EFFECTIVE DATE OF JUNE 1, 1980 FOR CHANGES IN STATE CIVIL SERVICE MANDATORY RETIREMENT PROVISION.
    1. SINCE JANUARY 1, 1979 PUBLIC EMPLOYEES HAVE BEEN PERMITTED TO WORK UNTIL 70.
- II. SCHOOL BOARDS MAY PROVIDE BY RULE THAT TEACHERS RETIRE AT 70.
- III. DELETES DEFINITION AND REFERENCES TO "DESIGNATED RETIREMENT DATE" AS SUCH DESIGNATION PRIOR TO AGE 70 IS PROHIBITED.
  - A. CHANGES LANGUAGE REGARDING EXCEPTION TO AGE 70 RETIREMENT DATE FOR EXECUTIVES ENTITLED TO ANNUITIES OF \$27,000 OR MORE
    1. EXCLUDES SOCIAL SECURITY FROM CALCULATION OF SUCH BENEFITS.
    2. SUCH EMPLOYEE MAY BE RETIRED AT 65.
    3. PILOTS AND FLIGHT CREW SUBJECT TO FAA RETIREMENT REGULATIONS.
  - B. EMPLOYERS MUST POST NOTICE MANDATORY RETIREMENT AGE IS 70.
    1. EMPLOYER TO NOTIFY EMPLOYEE 90 TO 120 DAYS PRIOR TO 65TH BIRTHDAY OF OPTION TO CONTINUE.
    2. EMPLOYER TO GIVE 30 DAYS NOTICE TO 65-YEAR-OLD EMPLOYEE IF EMPLOYEE CANNOT MEET JOB REQUIREMENTS AND WHOSE EMPLOYMENT IS TO BE TERMINATED.



- C. COMMISSIONER OF LABOR AND INDUSTRY TO ADVISE ALL INQUIRING PARTIES OF RETIREMENT RIGHTS.
  - 1. PARTIES AGGRIEVED BY VIOLATION OF LAW MAY BRING SUIT IN DISTRICT COURT.
- IV. LAWS 1978, CHAPTER 649 MADE EFFECTIVE DAY FOLLOWING ENACTMENT OF H.F. NO. 157.
  - A. EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS NOT COVERED BY LAW UNTIL AGREEMENT TERMINATION OR JUNE 1, 1980.
  - B. EMPLOYEES RETIRED BEFORE EFFECTIVE DATE OF ACT NEED NOT BE REHIRED BY EMPLOYER OF 20 OR MORE.
  - C. EMPLOYERS OF LESS THAN 20 PEOPLE NEED NOT REHIRE THOSE REQUIRED TO TERMINATE SERVICE BEFORE JUNE 1, 1980.
  - D. CORRECTIVE LANGUAGE TO MAKE PUBLIC EMPLOYEES ELIGIBLE FOR PROPORTIONATE ANNUITY WHO ARE RETIRING BETWEEN AGES 65 TO 69 DURING PERIOD FROM JANUARY 1, 1979 TO JUNE 1, 1980.
  - E. EMPLOYEES UNDER UNLIMITED TENURE CONTRACT AT PRIVATE COLLEGES EXEMPT FROM LAW AND UNTIL JULY 1, 1982 CAN BE REQUIRED TO RETIRE BEFORE AGE 70.
- V. COMMISSIONER OF LABOR AND INDUSTRY MAY PROMULGATE RULES TO CARRY OUT PROVISIONS OF SECTION 181.81 (DISMISSAL FOR AGE SECTION OF LAW)
- VI. PROVIDES FOR MANDATORY RETIREMENT OF TEACHERS UNDER TRA AT AGE 70 RATHER THAN 65.
  - A. RETIRED TRA SUBSTITUTE TEACHERS OVER AGE 70 MAY MAKE \$3600 FOR YEAR BEFORE CEASING EMPLOYMENT

FOR REMAINDER OF ACADEMIC YEAR.

- B. PROVIDES FOR REFUND IF DESIRED IN LIEU OF PROPORTIONATE ANNUITY FOR MANDATORIALLY RETIRED TEACHERS WITH LESS THAN 10 YEARS SERVICE.
- VII. PROVIDES MANDATORY RETIREMENT AGE OF 70 YEARS FOR FIRST CLASS CITIES TEACHERS FUNDS.
- VIII. REMOVES TERM "MANDATORY" IN PROPORTIONATE ANNUITY LANGUAGE FOR PUBLIC EMPLOYEES.
- IX. AS CONSISTENT WITH FEDERAL LAW PERMITS MTC BUS DRIVERS TO RETIRE AT 70 RATHER THAN 65.
- X. ACT EFFECTIVE THE DAY FOLLOWING FINAL ENACTMENT.

### MINIMUM WAGE

- I. RAISES THE STATE MINIMUM WAGE FROM THE PRESENT \$2.30 AN HOUR TO \$2.90 AN HOUR EFFECTIVE JANUARY 1, 1980, WITH FURTHER INCREASES TO \$3.10 AN HOUR ON JANUARY 1, 1981, AND TO \$3.35 AN HOUR ON JANUARY 1, 1982.
- II. EXCLUDES FROM MINIMUM WAGE COVERAGE ALL STAFF MEMBERS OR ORGANIZED DAY CAMPS LICENSED BY THE STATE. CURRENT LAW EXCLUDES ONLY DAY CAMP COUNSELORS FROM MINIMUM WAGE COVERAGE.

UNEMPLOYMENT COMPENSATION: FAMILY FARM SHAREHOLDERS

- I. SHAREHOLDERS IN FAMILY FARM CORPORATIONS SHALL BE EXEMPTED FROM CONTRIBUTIONS TO THE STATE UNEMPLOYMENT COMPENSATION FUND.
  - A. THE SERVICES PERFORMED BY THE SHAREHOLDERS ARE EXCLUDED FROM FARM LABOR AND EMPLOYMENT AND ARE NOT ELIGIBLE FOR STATE UNEMPLOYMENT COMPENSATION.

DISABILITY AND INCOME LOSS BENEFITS FOR ACCIDENT VICTIMS

- I. NO-FAULT INSURANCE COVERAGE IS EXPANDED TO INCLUDE PAYMENT OF THE COST OF TRANSPORTATION FOR TRAVEL TO RECEIVE ELIGIBLE MEDICAL CARE.
- II. NO-FAULT INSURANCE BENEFITS MUST COMPENSATE 85 PERCENT OF LOST WAGES (PRESENT AND FUTURE) OF INJURED ACCIDENT VICTIM.
  - A. COMPENSATION FOR LOST WAGES WOULD ALSO BE AVAILABLE TO AN ACCIDENT VICTIM WHO HAD, AT THE TIME OF THE ACCIDENT, BEEN RECEIVING UNEMPLOYMENT COMPENSATION BENEFITS.
  - B. SUCH INSURANCE COVERAGE WOULD APPLY IF THAT PERSON LOST HIS/HER ELIGIBILITY FOR UNEMPLOYMENT BENEFITS DUE TO THE INJURIES RESULTING FROM THE ACCIDENT.
  - C. COMPENSATION PROVIDED BY INSURANCE COVERAGE MUST EQUAL THE AMOUNT OF UNEMPLOYMENT COMPENSATION BENEFITS THAT WOULD HAVE BEEN PAID, UP TO A MAXIMUM OF \$200.

## REPLEVIN OF PERSONAL PROPERTY

- I. "REPLEVIN" IS THE JUDICIAL PROCEDURE BY WHICH THE RECOVERY OF POSSESSION OF PERSONAL PROPERTY IS OBTAINED.
  - A. THIS ACT DOES NOT RESOLVE A DISPUTE AS TO WHO THE LEGAL OWNER OF THE PROPERTY IS, BUT MERELY ESTABLISHES A PROCEDURE FOR DETERMINING WHO MAY POSSESS THE PROPERTY UNTIL THE DISPUTE OVER OWNERSHIP IS RESOLVED.
  - B. THE ACT OUTLINES THE PROCEDURE USED BY THE COURT AND THE PARTIES INVOLVED.
- II. THE PERSON SEEKING POSSESSION OF THE PROPERTY, THE "CLAIMANT," MUST GIVE FORMAL NOTICE TO THE PARTY IN POSSESSION OF THE PROPERTY, THE "RESPONDENT," OF CLAIMANT'S INTENT TO SECURE AN ORDER OF THE COURT DIRECTING THE RETURN OF THE PROPERTY. THE NOTICE MUST INCLUDE:
  - A. THE TIME AND PLACE FOR THE HEARING.
  - B. THE DESCRIPTION OF THE PROPERTY SOUGHT TO BE RECOVERED.
  - C. THE LEGAL BASIS FOR THE RIGHT TO POSSESSION.
  - D. THE PROBABILITY THAT CLAIMANT WILL PREVAIL IN THE OWNERSHIP DISPUTE.
  - E. A GOOD FAITH STATEMENT OF THE MARKET VALUE OF THE PROPERTY.
- III. THE PERSON IN POSSESSION OF THE PROPERTY, THE RESPONDENT, AT THE TIME OF THE HEARING CAN RAISE CERTAIN ARGUMENTS FOR NOT RETURNING THE PROPERTY; WHICH MAY INCLUDE:
  - A. THAT THE RESPONDENT HAS A DEFENSIBLE REASON FOR POSSESSING THE PROPERTY.
  - B. THAT THE RESPONDENT WOULD BE HARMED AND WITHOUT ADEQUATE PROTECTION IF THE COURT WOULD ORDER IMMEDIATE TRANSFER OF THE PROPERTY TO THE CLAIMANT.
  - C. THE RESPONDENT MAY POST A BOND IN AN AMOUNT IN EXCESS OF



THE VALUE OF THE PROPERTY, TO PROTECT THE CLAIMANT.

- IV. THE CLAIMANT MAY UNDER CERTAIN CIRCUMSTANCES, AT THE DISCRETION OF THE COURT, POST A LARGER BOND IN ORDER TO OBTAIN POSSESSION.
- V. THE COURT HAS AUTHORITY TO MAKE VARIOUS PROVISIONS REGARDING THE DISPUTE OVER POSSESSION; INCLUDING MAKING ADJUSTMENTS, IF APPROPRIATE, TO THE REQUIREMENTS ESTABLISHED IN II, III AND IV.
- VI. UNDER CERTAIN CIRCUMSTANCES, THE COURT MAY ORDER THE TRANSFER OF POSSESSION PRIOR TO THE TIME THAT THE PERSON IN POSSESSION, THE RESPONDENT, HAS APPEARED IN COURT. SOME KEY FACTORS INVOLVED IN SUCH A DECISION MUST BE:
  - A. A GOOD FAITH EFFORT TO GIVE NOTICE TO THE RESPONDENT HAS BEEN MADE.
  - B. ALL CLAIMANT'S REQUIREMENTS UNDER II, HAVE BEEN MET.
  - C. FAILURE TO HAVE IMMEDIATE POSSESSION WILL CAUSE SEVERE DAMAGE TO CLAIMANT.
- VII. THE COURT HAS THE AUTHORITY TO ENFORCE ITS ORDERS FOR TRANSFER OF POSSESSION IF THERE HAS BEEN A SHOWING OF NON-COMPLIANCE WITH THE COURT'S ORDER. THE COURT ENFORCES THE ORDER IN THE FOLLOWING MANNER.
  - A. BY DIRECTING THE SHERIFF TO SEIZE THE PROPERTY.
  - B. BY DIRECTING THE PARTY IN POSSESSION, THE RESPONDENT, TO DISCLOSE THE LOCATION OF THE PROPERTY.

## UNCLAIMED TAX REFUNDS

- I. THE REVENUE COMMISSIONER MAY PUBLISH, IN ANY ENGLISH LANGUAGE NEWSPAPER IN THE STATE, THE NAMES AND LAST-KNOWN ADDRESSES OF RESIDENTS WHO HAVE NOT CLAIMED THEIR PROPERTY TAX OR INCOME TAX REFUNDS.
  - A. WILL HELP ENABLE THE REVENUE DEPARTMENT TO PROPERLY DISTRIBUTE TAX REFUNDS WHICH WERE UNDELIVERABLE BECAUSE RESIDENTS CHANGED ADDRESSES OR NAMES.
  - B. THE REVENUE COMMISSIONER MAY SET A MINIMAL REFUND AMOUNT AND EXCLUDE FROM THE LIST THE NAMES OF PERSONS WHOSE REFUNDS ARE LESS THAN THAT AMOUNT.
    1. THE PUBLISHED LIST SHALL NOT CONTAIN ANY PARTICULAR INFORMATION FROM INDIVIDUAL RETURNS.
    2. THE PUBLICATION WILL INSTRUCT PAYEES ON HOW TO CLAIM THEIR TAX REFUNDS.

BANK CREDIT CARD INTEREST RATE

- I. ALLOWS BANKS AND OTHER FINANCIAL INSTITUTIONS TO CHARGE A MAXIMUM 1 1/2 PERCENT MONTHLY INTEREST RATE ON OPEN-END CHARGE ACCOUNTS.
  - A. APPLIES ONLY IF NO ANNUAL FEE IS CHARGED.
  - B. FORMERLY WERE ALLOWED TO CHARGE ONE PERCENT.
  - C. THERE IS NO LONGER A MAXIMUM AMOUNT ON OUTSTANDING BALANCE OF THE CHARGE ACCOUNT.
- II. REQUIRES THAT ANY BANK CHARGING 1 1/2 PERCENT WITH NO ANNUAL FEE ALSO HAVE AVAILABLE AN OPTION PLAN CONSISTING OF:
  - A. ONE PERCENT MONTHLY FINANCE CHARGE.
  - B. AND, AN ANNUAL CHARGE UP TO \$15 PER YEAR.

EFFECTIVE DAY FOLLOWING FINAL ENACTMENT.

## FAMILY FARM SECURITY ACT AMENDMENTS

- I. TO QUALIFY FOR A FAMILY FARM SECURITY LOAN, A FARMER, HIS WIFE AND DEPENDENTS MUST POSSESS A TOTAL NET WORTH OF LESS THAN \$75,000
  - A. THE NEW LEGISLATION INCREASES THAT LIMIT FROM THE PREVIOUS \$50,000 IN LIGHT OF RISING PRICES OF EQUIPMENT, LIVESTOCK, SUPPLIES, ETC., WHICH HAD PUSHED THE NET WORTH OF MANY FARMERS BEYOND THE PROGRAM'S NET WORTH LIMITS.
- II. TO QUALIFY FOR THE ANNUAL 4 PER CENT PAYMENT ADJUSTMENT THE FAMILY FARM LOAN APPLICANT AND HIS FAMILY MUST HAVE A TOTAL NET WORTH THAT DOES NOT EXCEED \$135,000 IN ANY ONE YEAR.
  - A. INCREASED FROM THE PREVIOUS MAXIMUM OF \$100,000
- III. ALLOWS THE AGRICULTURE COMMISSIONER TO EXTEND FAMILY FARM LOAN GUARANTEES TO A BONA FIDE PURCHASER OF THE NOTE AND MORTGAGE EXECUTED BY AN ORIGINAL LENDER AND BORROW WITHOUT RECOURSE BY THE STATE OF MINNESOTA, WITH CERTAIN PROVISIONS.

CONTROLLED SUBSTANCES ON SCHOOL PREMISES

- I. DOUBLES PENALTIES FOR PERSONS OVER 18 WHO ARE FOUND GUILTY OF POSSESSING DRUGS ON SCHOOL PREMISES.
- II. ALLOWS THE EXPERIMENTAL USE OF MARIJUANA IN MEDICAL RESEARCH PROGRAMS APPROVED BY THE STATE HEALTH DEPARTMENT.

## PIPELINE ROUTING AND CONSTRUCTION

- I. PROVIDES GUIDELINES FOR NEGOTIATING AND ACQUIRING EASEMENTS FOR OIL, NATURAL GAS, AMMONIA AND MINERAL SLURRY PIPELINES.
  - A. REQUIRES EACH PERSON PROPOSING TO CONSTRUCT A PIPELINE TO NOTIFY THE ENVIRONMENTAL QUALITY BOARD (EQB) AND THE COUNTY BOARDS OF EACH COUNTY THROUGH WHICH THE PIPELINE WILL PASS.
- II. REQUIRES 4½ FEET OF COVER OVER A PIPELINE CROSSING AGRICULTURAL LAND.
  - A. PROVIDES FOR A WAIVER OF THE DEPTH REQUIREMENT BY THE LANDOWNER IN CERTAIN CASES.
  - B. ALLOWS THE AFFECTED LOCAL GOVERNMENT TO ESTABLISH A GREATER DEPTH REQUIREMENT OR OTHER MEASURES FOR THE PROTECTION OF PUBLIC ROADS AND DRAINAGE FACILITIES.
- III. THE COUNTY BOARD OF EACH AFFECTED COUNTY MUST HOLD A PUBLIC MEETING WITHIN 60 DAYS OF RECEIVING NOTIFICATION OF THE PROPOSED PIPELINE.
  - A. TO PROVIDE INFORMATION ON THE PROPOSED PIPELINE AND THE LEGAL REQUIREMENTS FOR ACQUIRING EASEMENTS AND CONSTRUCTING THE PIPELINE.
- IV. EACH COUNTY BOARD MAY ESTABLISH REASONABLE STANDARDS FOR PIPELINE CONSTRUCTION WHICH ARE NEEDED TO PROTECT AND RESTORE CULTIVATED AGRICULTURAL LAND.
  - A. COULD INCLUDE RESTORATION TO DRAINAGE TILE AND DRAINAGE PATTERNS, SOIL COMPACTION AND THE REMOVAL OF ROCKS AND DEBRIS.
- V. EACH COUNTY BOARD MAY HIRE AN INSPECTOR TO DETERMINE COMPLIANCE WITH STATE AND LOCAL STANDARDS FOR THE PRO-

(MORE)



TECTION OF AGRICULTURAL LAND.

A. THE COUNTY BOARD MAY CHARGE PIPELINE COMPANIES A FEE OF \$500 PER MILE FOR THOSE SERVICES.

VI. THE EQB MUST PREPARE AND MAKE AVAILABLE TO AFFECTED LANDOWNERS AND LESSEES AN INFORMATION BOOK DESCRIBING THE PROPOSED PIPELINE.

A. THE BOOK SHALL INCLUDE EXPLANATIONS OF THE STEPS NEEDED TO ACQUIRE RIGHT OF WAY, LEGAL REQUIREMENTS AND COUNTY INSPECTION PROCEDURES.

VII. LIMITS THE LIABILITY OF OWNERS OR LESSEES OF PROPERTY THROUGH WHICH A PIPELINE PASSES IN CASE OF INJURY TO THE PIPELINE DURING ORDINARY FARMING OPERATIONS.

A. REQUIRES LANDOWNERS TO NOTIFY PIPELINE COMPANY IF THEY INTENT TO INSTALL OR REPAIR DRAINAGE TILE NEAR THE PIPELINE.

VIII. EXEMPTS INTERSTATE NATURAL GAS PIPELINES WHICH HAVE BEEN GIVEN POWER OF EMINENT DOMAIN FROM PROVISIONS REGARDING EASEMENT ACQUISITION, INFORMATION BOOKS AND PUBLIC MEETINGS.

A. EXEMPTS PIPELINES SUBJECT TO FEDERAL NATURAL GAS PIPELINE SAFETY ACT OF 1968 FROM DEPTH COVER AND PUBLIC FACILITY PROTECTION REQUIREMENTS.

IX. ALL EASEMENTS ACQUIRED AFTER EFFECTIVE DATE SHALL REVERT TO THE ORIGINAL LANDOWNER IF THE PIPELINE CEASES OPERATION FOR A PERIOD OF FIVE YEARS.

EFFECTIVE: IMMEDIATELY.

## TRANSPORTATION DEPARTMENT FUNDING

- I. APPROPRIATES \$952 MILLION TO THE DEPARTMENT OF TRANSPORTATION FOR THE 1980-1981 BIENNIUM, A SEVEN PERCENT INCREASE OVER THE 1977 FUNDING OF \$885 MILLION.
- II. SPECIFIC APPROPRIATIONS:
  - A. POLICY AND PLANNING: \$8.33 MILLION.
  - B. HIGHWAY OPERATIONS: \$733 MILLION.  
INCLUDES:
    1. HIGHWAY MAINTENANCE: \$147.6 MILLION.
    2. DISTRICT CONSTRUCTION SUPPORT: \$58.16 MILLION.
    3. HIGHWAY IMPROVEMENT (TRUNK HIGHWAYS): \$311.2 MILLION.
    4. COUNTY STATE-AID ROADS: \$188.45 MILLION.
    5. MUNICIPAL STATE-AID ROADS: \$61.6 MILLION.
    6. HIGHWAY DEBT SERVICE: \$26.86 MILLION.
  - C. PUBLIC TRANSPORTATION: \$47.24 MILLION.  
INCLUDES:
    1. MTC OPERATING ASSISTANCE, PLANNING, ETC.: \$17.32 MILLION.
    2. MTC PROJECT MOBILITY: \$5 MILLION.
    3. MTC PARATRANSIT SERVICES: \$1 MILLION.
    4. OUTSTATE PARATRANSIT SERVICES: \$4.5 MILLION.
    5. RAILROADS, PORTS AND PIPELINES: \$1.021 MILLION.
    6. RAIL SERVICE IMPROVEMENT GRANTS: \$3 MILLION.
  - D. AERONAUTICS OPERATIONS: \$18.5 MILLION.
    1. AERONAUTICS DEVELOPMENT AND ASSISTANCE: \$16 MILLION.  
(PRIMARILY AIRPORT CONSTRUCTION AND MAINTENANCE GRANTS).
  - E. TECHNICAL SUPPORT SERVICES: \$46.2 MILLION.  
INCLUDES:
    1. ENGINEERING SERVICES: \$33.7 MILLION.
    2. CONSTRUCTION AND ENGINEERING DEVELOPMENT SUPPORT: \$8.8  
MILLION

- 3. ELECTRONIC COMMUNICATIONS: \$2.36 MILLION.
- F. GENERAL SUPPORT: \$30 MILLION.
- III. REQUIRES THE COORDINATION OF EXISTING FUNDING AND SERVICES TO PROVIDE SPECIAL TRANSIT FOR THE ELDERLY AND HANDICAPPED.
  - A. CALLS FOR NO ADDITIONAL TRANSIT FUNDING FOR THESE SERVICES, BUT PROPOSES NEW WAYS TO IMPROVE THEIR EFFECTIVENESS AND EFFICIENCY.
  - B. REQUIRES PROMULGATION OF OPERATING STANDARDS FOR SPECIAL SERVICES.
  - C. AUTHORIZES USE OF PARATRANSIT MONEY FOR DRIVER'S TRAINING.
  - D. REQUIRES ANY PARATRANSIT SERVICE WITH MORE THAN TWO VEHICLES USING STATE MONEY TO BE ACCESSIBLE TO THE HANDICAPPED.
  - E. DIRECTS MN/DOT TO INVESTIGATE THE HIGH LIABILITY INSURANCE COSTS OF PROVIDING THESE SERVICES.
- IV. AUTHORIZES NEW USES OF EXISTING STATE TRANSPORTATION FUNDS TO IMPROVE RURAL RAIL COMMODITY SERVICES, E.G.:
  - A. GUARANTEES OF LOANS TO RAIL USERS FOR THE PURCHASE OF ROLLING STOCK AND CONSTRUCTION AND IMPROVEMENT OF LOADING, STORAGE AND TRANSFER FACILITIES AND SIDING.
  - B. TECHNICAL ASSISTANCE TO RAIL USERS, E.G., SERVICE TO NOTIFY RAIL USERS OF RAIL RATE BREAKS AND ASSISTANCE IN NEGOTIATING WITH RAIL COMPANIES FOR LONG-TERM SERVICE.
- V. PROVIDES \$300,000 FOR CAPITAL MATCH PROGRAM TO PURCHASE NEW BUSES.
  - A. FINANCES STATE'S 10 PERCENT PORTION OF TOTAL COST; 10 PERCENT IS PAID FOR BY LOCAL GOVERNMENTS AND 80 PER CENT IS FINANCED BY FEDERAL GOVERNMENT.

# MILLER ST. NAZIANZ

May 11, 1979

Emily A. Staples  
Rm. 235  
State Capital Building  
St. Paul, MN 55155

Dear Ms. Staples:

John Miller Supply Co., Inc. is a wholesale distributor of farm equipment. We do a significant amount of our business in the State of Minnesota. Although the voting power of our employees is small, the amount of income taxes we pay should at least capture your attention.

We would like to inform you of our opinion regarding certain pending legislation. One, we believe that SF 917 and HF 946 regarding Workmen's Compensation should be passed, provided that double weekly benefits and the state fund part of the bill be defeated.

Two, we are of the opinion that farmers need every possible tax break to insure survival of the family farm. Here in Wisconsin there is no sales tax on farm equipment. We feel it would be appropriate for Minnesota to pass legislation similar to ours eliminating sales tax on farm machinery.

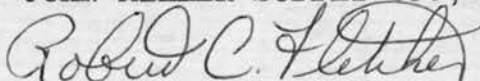
Three, regarding HF 293, we feel that an investment credit would be extremely beneficial to the family farmer and strongly support the bill.

Four, we are of the opinion HF 367 and SF 573 regarding Products Liability should be passed.

If there is any information you would like that we could provide, please do not hesitate to contact me.

Sincerely,

JOHN MILLER SUPPLY CO., INC.



Robert C. Fletcher, C.P.A.  
Controller

RCF:ea

cc: Don Reinke

408 No. Co. Rd 73

Plymouth, MN 55441

JOHN MILLER SUPPLY CO., INC. ST. NAZIANZ, WISCONSIN 54232 U.S.A.

TELEPHONE (414) 773-2121

TWX 910-260-3510 (JMSCO STNZ)

Worke's  
compensation

# WAYZATA INSURANCE AGENCY

305 E. LAKE STREET • WAYZATA, MINNESOTA 55391 • 473-7386



R. F. MEEHAN  
S. A. HELLAND  
T. M. RANNEY

April 23, 1979

Senator Emily Anne Staples  
State Office Building  
Room 235  
St. Paul, MN 55101

RE: SF 917-Workers Compensation

Honorable Senator Staples: *Em. by*

I would urge you to vote in support of SF 917 on the Workers Compensation. The bill has some shortcomings, but it is an improvement over what we have. We need to make some progress in this area.

Respectfully,



WAYZATA INSURANCE AGENCY  
R. F. Meehan

RFM/gc



PERSONAL AND BUSINESS INSURANCE SERVICE





## **Larsen's MANUFACTURING COMPANY**

7421 COMMERCE LANE N.E., MINNEAPOLIS, MINNESOTA 55432

Phone (612) 571-1181

April 9, 1979

Senator Emily Anne Staples  
235 State Capitol  
St. Paul, Mn. 55155

Dear Senator Staples:

It is literally beyond my scope of comprehension that the legislature could even be seriously considering Recommendation 5 of the Workers' Compensation Study Commission task force. If the maximum weekly benefit were to be doubled from its present level, I'd have nobody left working in my shop within a month.

As it now stands with the 2/3 average weekly wage formula, it has become a virtual impossibility to motivate people to get back to work once they start receiving benefits. While it's true that the benefits are paid at a 2/3 rate, they are TAX-FREE. Anybody knows that today, federal, state, and payroll taxes combine to take more than 1/3 of an individual's weekly check, so that while receiving W.C. benefits, an individual actually has a greater level of disposal income to work with. Thus, there is no economic incentive whatsoever to get back on the job, even under the present arrangement. An increase in the formula to 200% of the statewide average wage would have literally crippling effects for the state's already beleaguered small employers.

I appreciate your taking the time to read this, Senator, and ask you only to give these thoughts appropriate consideration if this issue comes before the full Senate.

Respectfully,

David W. Fudge  
President

cc: Jim Heap  
Minnesota House



## GRESEN MANUFACTURING COMPANY

A SUBSIDIARY OF TONKA CORPORATION

April 3, 1979

The Honorable Emily Anne Staples  
State Senator  
Vice Chairperson, Committee on  
Employment  
State Capitol  
Room 235  
St. Paul, Minnesota 55155

Dear Senator Staples:

I would like to express for myself and on behalf of our Company our appreciation for the time you took on Saturday, March 31, 1979, to hear the employers point of view of Workers' Compensation and at the same time give us a better understanding of how our government works.

Our Company has been operating and growing in the Twin City area since 1944. We employ approximately 500 persons in our shops and offices. We too have experienced very high workers compensation costs over the past few years.

I believe you should support many of the provisions in S.F. 917, which is now in the Senate Employment Committee. We need new Workers' Compensation Legislation if we are to deal effectively with illness and injury that are work related.

However, I am opposed to two provisions of the bill. First, the 200% of the statewide average wage provision and second, the establishment of a state reinsurance fund.

One of the results of the very liberal interpretation of the workers' compensation law is the inadvertent but very real physiological destruction that takes place in peoples lives when they are not useful and occupied over a long period of time. We must pass laws that adequately protect employees from the hardship of illness and injury that is job related, but at the same time these laws must not take away a persons responsibility and dignity.

Sincerely,

A handwritten signature in cursive script, appearing to read "A. A. Jensen", is written over the typed name.

Safety & Training Administrator  
GRESEN MANUFACTURING COMPANY



## INSURANCE EXCHANGE

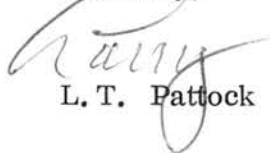
5020 WEST LAKE STREET MINNEAPOLIS, MINN. 55416  
TELEPHONE: 920-7520

Senator Emily Staples  
235 State Capitol  
St. Paul, Mn.

Dear Emily:

I am writing in reference to Senate File 197, regarding Workmen's Compensation. I have examined the recommendation of the Legislative Study Commission and believe they should be accepted and passed into law. I believe the recommendations will definitely aid to the solution of our Workmen's Compensation problems and especially in the way of relieving a tight market.

Sincerely,



L. T. Patlock



PAKO CORPORATION

April 12, 1979

The Honorable Emily Staples  
State Senator  
Room 235  
Capitol Office Building  
St. Paul, Minnesota 55155

Dear Senator Staples:

I am disturbed, to say the least, at the seemingly out of control condition surrounding the Minnesota Worker's Compensation law.

I joined Pako in 1974. As I review the expenses of my department over the years 1973 to 1979, I have been severely impacted by the increases in the insurance portion. The biggest part of this increase has been caused by a 2,500 percent increase in the Worker's Compensation premium.

As I projected this over the rest of the company, I questioned how reasonable this is as it relates to our actual experience of injury. I find it is not a reasonable increase. I therefore think there are a number of abuses in our current law that the Legislature should correct this session.

I believe strongly that you should support many of the provisions included in S.F. 917 which is being considered in the Senate Employment Committee. I would like you to support the following sections of the bill:

1. Section 10 - Payment of permanent partial disability only upon an employee's return to work; elimination of concurrent permanent partial and temporary total disability payments. I think that the law should provide an incentive for employees to return to work. I think it's only fair that the law should prohibit an employee from "double-dipping" workers' compensation benefits. This section if enacted would make these changes.
2. Section 17 - Comprehensive rehabilitation provisions. I think the law should specify the criteria under which injured employees are rehabilitated. We have had experiences, which I would be glad to share with you, where employees have abused rehabilitation and retraining. This provision would make necessary changes in this area of the law.
3. Section 35 - Restriction of the 6% escalator adjustment to benefits paid beyond 104 weeks of disability.

# PAKO CORPORATION

Page Two

4. Section 6 - Expansion of Workers' Compensation Court of Appeals. It is my understanding that this provision would require that two members of the court represent labor; two members represent business; and the fifth member be neutral. Two members of the court could not be lawyers. I think that this provision, if enacted, would go a long way in providing a better balance in our workers' compensation system. It has been our experience that there is a pro-plaintiff bias throughout the entire workers' compensation legal system. I hope that this can be corrected this session.


As I indicated earlier, I believe that S.F. 917 on balance is a good bill. However, I think you should strongly oppose two provisions in the bill. These provisions are as follows:

1. Sections 13 through 15 - Increasing the maximum disability benefits to 200% of the statewide average weekly wage. I understand that the insurance industry has indicated that this provision alone would increase the state workers' compensation premium 4.9%. I would be highly disturbed if the Legislature enacted this provision. Our workers' compensation system must be reformed. Premiums should go down not up.
2. Section 36 through 46 - Establishment of a state reinsurance fund. I don't know all the particulars of this proposal; however, I am strongly opposed to any involvement by a state bureaucracy in our private insurance system.

I hope you will keep my comments in mind when you vote on this critical issue.

Sincerely,

PAKO CORPORATION



T. J. Slack  
Manager of Quality Assurance

TJS/rr



PAKO CORPORATION

April 11, 1979

The Honorable Emily Staples  
State Senator  
Room 235  
Capitol Office Building  
St. Paul, Minnesota 55155

Dear Ms. Staples:

I am writing this letter as a constituent of yours to express my concern that the Legislature enact meaningful reforms to Minnesota's workers' compensation law this session.

Pako Corporation, located in Golden Valley, is a manufacturer of photoprocessing, graphic arts, and X-ray equipment. In business since 1910, Pako currently employs 1,500 people and has a gross payroll of over \$21,000,000. Approximately \$9,700,000 of our sales were made within the state of Minnesota in 1978.

My company has experienced an incredible 2,500-percent increase in our workers' compensation premium since 1973. During that same period, our premium-to-payroll ratio has increased by 1,367 percent! You can now understand that I am very concerned about workers' compensation.

I would like to take this opportunity to say that I believe that an injured employee should be properly compensated for a work-related injury. However, I think that there are a number of abuses in our current workers' compensation law that the Legislature should correct this session.

I believe strongly that you should support many of the provisions included in S.F.917, which is being considered in the Senate Employment Committee. I would like you to support the following sections of the bill:

1. Section 10--Payment of permanent partial disability only upon an employee's return to work; elimination of concurrent permanent partial and temporary total disability payments. I think that the law should provide an incentive for employees to return to work. I think it's only fair that the law should prohibit an employee from "double-dipping" workers' compensation benefits. This section, if enacted, would make these changes.
2. Section 17--Comprehensive rehabilitation provisions. I think the law should specify the criteria under which injured employees are rehabilitated. We have had experiences, which I would be glad to share with you, where employees have abused rehabilitation and retraining. This provision would make necessary changes in this area of the law.
3. Section 35--Restriction of the 6-percent escalator adjustment to benefits paid beyond 104 weeks of disability.



## PAKO CORPORATION

The Honorable Emily Staples  
Page Two  
April 11, 1979

4. Section 6--Expansion of Workers' Compensation Court of Appeals. It is my understanding that this provision would require that two members of the court represent labor, two members represent business, and the fifth member be neutral. Two members of the court could not be lawyers. I think that this provision, if enacted, would go a long way in providing a better balance in our workers' compensation system. It has been our experience that there is a pro-plaintiff bias throughout the entire workers' compensation legal system. I hope that this can be corrected this session.

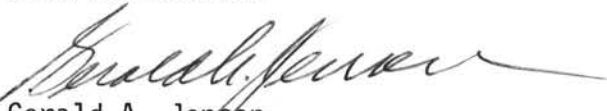
As I indicated earlier, I believe that S.F.917, on balance, is a good bill. However, I think you should strongly oppose two provisions in the bill. These provisions are as follows:

1. Sections 13 through 15--Increasing the maximum disability benefits to 200 percent of the statewide average weekly wage. I understand that the insurance industry has indicated that this provision alone would increase the state workers' compensation premium 4.9 percent. I would be highly disturbed if the Legislature enacted this provision. Our workers' compensation system must be reformed. Premiums should go down, not up.
2. Sections 36 through 46--Establishment of a state re-insurance fund. I don't know all the particulars of this proposal; however, I am strongly opposed to any involvement by a state bureaucracy in our private insurance system.

I hope you will keep my comments in mind when you vote on this critical issue. I would be glad to answer any questions that you might have. Also, I hope you may be able to visit our plant some time soon at your convenience.

Sincerely,

PAKO CORPORATION



Gerald A. Jensen  
Vice President,  
Research and Engineering

GAJ/vb

# news release



Hanover Building  
480 Cedar Street  
Saint Paul, Minnesota 55101  
Phone 612/227-9591

For Release  
Friday, March 30, 1979

Contact: Win Borden  
612-227-9591

Win Borden, President of the Minnesota Association of Commerce and Industry issued the following statement on workers' compensation.

"Two years ago the Legislature created the Workers' Compensation Study Commission. They've worked long and hard to straighten out the workers' compensation mess in Minnesota. Our concern is that the Legislature may adjourn without resolving that issue and adopting most of the provisions of the Task Force report.

We support most of the provisions of the Workers' Compensation Study Commission. But we must make it clear that we opposed a state workers' compensation insurance fund. The State of Minnesota should not be involved in the insurance business.

If the last election showed one thing it was that people wanted less government, not more of it. But as we speak out against a state take over of workers' compensation insurance we do not want to be perceived as apologists for the insurance industry. Nothing could be further from the truth.

The fact is that the failure of the insurance industry to come forward with the basic data for workers' compensation rate making has been the strongest force for a state take over.

We join people in government in asking the insurance industry to come forward to set the record straight and supply the facts necessary for adequate workers' compensation rate making."

-30-

Attachment: Text of Borden's comments on workers' compensation given yesterday before the Minneapolis Employer's Association, in Minneapolis.

WINSTON BORDEN'S SPEECH

EMPLOYERS ASSOCIATION OF GREATER MINNEAPOLIS

NORMANDY HOTEL, MINNEAPOLIS

MARCH 29, 1979

SEGMENT ON WORKERS' COMPENSATION

The 57 task force recommendations in the workers' compensation study commission are generally excellent. If all of the good recommendations are adopted the effect will be to stabilize rates and to turn them downward as a trend. It won't be anything more dramatic than that.

But there are some things in that report that are absolutely intolerable and totally unacceptable as far as the business community is concerned. First, is the movement to the 200% of the average weekly wage; the second is the establishment of a state fund and a state monopoly. The message you have got to get to your legislator is "Hey this is a mess, take care of it. And if you take care of it, remember we can't afford to have an increase of benefits from 100% to 200% of the average weekly wage, we cannot afford to have a state fund. "

The idea of a state monopoly in Minnesota which the bill really provides after five years is unacceptable. If this last election said one thing, I think that it said the people of Minnesota want a movement in a different direction. To less, rather than more government. A state fund really is a state monopoly and the lack of competition does not serve the private sphere. And there is no evidence that this has led to something called efficiency in the public arena.

A state fund does not really establish any kind of incentive for the insurance industry to watch its case load and govern it efficiently. The state fund proposal says that after five years you go from a private fund to a state fund. If an insurance company knows out front that its liability is limited to five years, its conduct of cases may be quite different. A state fund which requires the self-insurers to participate as well as the rest of the employers does nothing to enhance the safety factor or encourage safe working conditions. It's a dramatic step in the wrong direction.



And so I think the issue for you is, will you join us? Will you join us in conveying to the legislature that the state fund element needs to be defeated. And as I talk about an opposition to a state fund, my great fear is that somehow we will be perceived as apologists for the insurance industry. Nothing could be further from the truth.

Frankly, my friends the conduct of the insurance industry on workers' compensation is probably the single strongest factor moving a state monopoly fund forward. Now that's not by design on the part of the insurance industry you understand, it's a consequence of the way they are perceived in the legislature.

The industry is perceived by some as simply arrogant, by others as incompetent, and to put it most kindly, perceived to possess a careless disregard and disrespect for the decision making function of the legislature.

There is no way to say it more kindly than to say that the insurance industry has simply failed to provide the legislature with some important information. They have failed to provide them with a difference between paid losses and reserve losses, and it's complex, but that's important factual information they have not supplied. They have failed to provide facts in terms of reserves for unfilled claims. They failed frequently to adequately communicate with employers who are in the end paying the bill, as to what's happening to cases, and how to get somebody off the insurance and back to work. And they failed to properly disclose and segregate reserve income on workers' compensation premiums.

Now those comments on my part will not be welcomed in many circles, but I think these things needed to be said. And in leveling that criticism against the industry my single purpose is to make it clear out front that we oppose a state fund. That is not the answer to the workers' compensation problem. In opposing a state fund we join with legislators in asking the insurance industry to come forward with a full and complete and accurate disclosure of what they do with the premiums you pay. You have a right to know, the legislature has a right to that information and somehow it has got to be delivered.

Page 3

Speech - 3/29/79

There is really much that is good in that workers' compensation report in terms of a program that will eliminate temporary total payments at the same time as retraining benefits; that will take the 6 percent adjustment on an annual basis and apply it only after 104 weeks rather than from week one; reliance on neutral medical panels and the like.

G BATTINA  
12500 58TH AVE NORTH  
PLYMOUTH MN 55442

 **Mailgram**  
western union



4-049559E088 03/29/79 ICS IPMBNGZ CSP MPSB  
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3/30

SENATOR EMILY ANNE STAPLES  
STATE CAPITOL  
ST PAUL MN 55155

SUPPORT THE ROSENTHAL PROPOSAL FOR THE WORKERS COMP BILL IN COMMITTEE  
AND ON THE FLOOR. I'LL APPRECIATE YOUR HELP.

GEORGE BATTINA  
12500 58TH AVE NORTH  
PLYMOUTH MN 55442

16:10 EST

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April 3, 1979

The Honorable Robert M. Benedict  
State Senator  
306 State Capitol  
St. Paul, Mn. 55155

Dear Senator Benedict,

I am writing to you concerning Senate File 917.

Our business is located in Bloomington, Minnesota. We produce electric arc welders and battery chargers. We have been in business since the late 30's. We currently employ, approximately 400 people, and distribute internationally.

Our company is extremely concerned with the drastic increase in workmen's compensation premiums, over the past years.

I strongly believe, you should support many of the provisions included in Senate File 917, as we urgently need this legislation, and we need it in this session.

There are two provisions in this bill, I think, you should strongly oppose. These provisions are as follows:

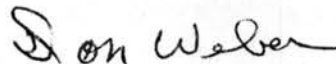
- (1) Section 13 through 15 - Increasing the maximum disability benefits to 200% of the statewide average weekly wage. I understand that the Insurance Industry has indicated that this provision alone would increase the state workers' compensation premium 4.9%. We need legislation that will hold the line or lower premiums, not increase them.
- (2) Section 36 through 46 - Establishment of a state re-insurance fund. I am strongly opposed to the state becoming involved in our private insurance system, and I think, involving the state in the insurance business, would not help improve our workers' compensation system.

*Our Employees Make It Happen*

The Honorable Robert M. Benedict  
Page 2

I would like to state, that I firmly believe, an injured employee should be properly compensated for a work related injury. However, I think, there are a number of abuses in our current workers' compensation law that the legislature should correct in this current session.

Yours truly,

A handwritten signature in dark ink, appearing to read "Don Weber". The signature is fluid and cursive, with the first name "Don" and last name "Weber" clearly distinguishable.

Don Weber

DW/ch

cc: Governor Al Quie  
✓ Members of the Committee on Employment



IN REPLY, PLEASE ADDRESS:  
1300 Northwestern Financial Center  
Minneapolis, MN 55431  
(612) 830-3000 Telex: 29-0461

April 10, 1979

Minnesota Transport Services, Inc.  
1821 University Avenue  
St. Paul, MN 55104

Re: Worker's Compensation

Gentlemen:

It has become increasingly difficult to find insurance companies who will voluntarily write workers compensation insurance in the State of Minnesota. Most of the companies still writing it will do so only if they write other insurance such as property and liability for the insured.

CNA, your present workers compensation carrier, will write workers compensation in Minnesota. However, they sent you a notice of nonrenewal dated March 29, 1979, because they do not write any supporting coverage for you.

Our agency does not have another market with whom to place this coverage. For this reason I sent you an application on April 9, 1979, that would allow us to place your insurance through the Minnesota Workers Compensation Pool. Upon receipt of the completed application and premium payment the "Pool" would then place your insurance with a standard insurance company at the same rates used by every other insurance company writing workers compensation in the State of Minnesota.

Today in a telephone conversation with Mr. Rosenthal he stated he absolutely would not place this insurance through the Minnesota Workers Compensation Pool. Since this is the only source I have for renewing the insurance I can only suggest that you make arrangements to place the coverage through another agency on renewal.

Sincerely,

*Diann Boesch*  
Diann Boesch

DB/dm



manufacturing company

13435 INDUSTRIAL PARK BLVD., MINNEAPOLIS, MN 55441 TELEPHONE 612 559-4740

March 30, 1979

The Honorable Emily Anne Staples  
Room 235  
State Office Building  
St. Paul, Minnesota, 55155

Dear Senator Staples:

I am writing this letter to express my increasing concern that the legislature pass reforms to the Minnesota workers' compensation law this session.

Our headquarter office and warehouse is located in Plymouth. We operate a factory in Southeast Minneapolis, one in Akeley, Minnesota and one in Sacred Heart, Minnesota. Our employment varies from 150 to 200 and our annual payroll exceeds \$2,000,000. We sell only about 6% of our products in Minnesota, the rest nationwide and overseas.

Our compensation insurance rates have increased approximately 300% since 1974 even though we have a record of low losses. Like most other small business, our growth is constrained by the generation of funds internally. Even higher workers' compensation rates are among the costs which both limit our growth and contribute to the higher prices we must charge for our products.

I would appreciate your efforts to hold the line or decrease workers' compensation costs.

Sincerely,

Guy R. Warner  
Secretary/Treasurer

GRW:ms

cc: Governor Quie

P.S. I'm sorry that due to a prior commitment, I will be unable to attend the meeting of the Employers' Association of Minneapolis which is scheduled to meet March 31.



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C. H. VROOMAN  
Chairman of the Board

G. A. BRAMBILLA  
President

April 2, 1979

The Honorable Emily Anne Staples  
State of Minnesota  
235 State Capitol  
St. Paul, Minnesota 55155

Re: Workers' Compensation  
Senate File 917

Dear Senator Staples:

Small businessmen throughout the state are aware that in this session, the legislature has a chance to bring more stability to the entire workers' compensation premium rate structure for years ahead.

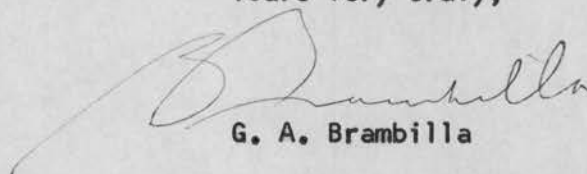
The above bill has many features that will improve the present Minnesota workers' compensation system, and these I am not taking the time to mention.

There are two recommendations of the study committee that we do not support, and they are

1. Increase maximum disability benefit from 100% of the state-wide average weekly wage to 200%
2. Establish a state re-insurance fund providing exclusive coverage on benefits continuing after five years

As a thirty year old, small business firm, we respectfully request that you give the above information your careful consideration.

Yours very truly,



G. A. Brambilla

GB:ah



13

**GENERAL MILLS, INC. • GENERAL OFFICES • 9200 Wayzata Boulevard • Minneapolis, Minnesota**

March 30, 1979

The Honorable George Pillsbury  
State Senator  
Room 130  
State Office Building  
St. Paul, Minnesota 55155

Dear Senator Pillsbury:

RE: S. F. 917

I have been fortunate enough to have had the opportunity to sit in on some of the workers' compensation hearings at the Capitol over the past few weeks and am writing to express my deep conviction that the Senate Employment Committee enact most of the much-needed reforms to the current Minnesota Workman's Compensation Law this session.

I have been an employee of General Mills for nearly seven years. As you know, we are a very large corporation with our headquarters in Golden Valley. We have approximately 1500 employees housed just at the General Offices alone. Not only do we have employees elsewhere in the state, but we also have others in nearly every state in the U. S. and in many foreign countries.

I have become very interested in and concerned over the workers' compensation issue -- not only from an employee standpoint, but also as far as my company is concerned. I strongly urge that you and the other members of the Senate Employment Committee support the provisions in S. F. 917 except for sections 34-46 which call for the establishment of a state reinsurance fund. The idea of a state monopoly is both totally unacceptable and rather frightening. Anything that creates a lack of competition is not in the best interest of the State of Minnesota.

Overall, I am very supportive of S. F. 917 and would like to see it pass in both the Senate and the House. I believe that injured employees should be compensated for on-the-job injuries, but that our present law needs to be updated as quickly as possible for the benefit of all concerned.





The Honorable George Pillsbury  
Page 2  
March 30, 1979

I want to thank you for the opportunity of hearing how I feel about this important subject and hope that you will take into consideration some of my thoughts and comments when you vote on this issue in the next few weeks.

Thank you very much.

Sincerely yours,

*Holly Hafvenstein*

Holly Hafvenstein

cc: Senate Employment Committee Members



## C. W. OLSON, INCORPORATED

P. O. BOX 231

MINNEAPOLIS, MINNESOTA 55440

PHONE 379-2243

April 2, 1979

The Honorable Emily Staples  
State Senate  
Room 235, Capitol  
St. Paul, Minnesota 55155

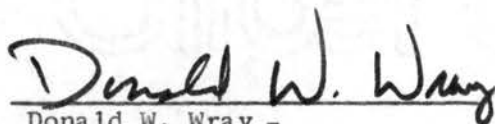
Dear Senator Staples:

I want to thank you for taking the time Saturday to meet with us at the Employers Association offices. I hope that our comments helped you get a better understanding of what we see as the merits and problems of the pending legislation on Workers Compensation.

To summarize I'd like to make these points:

1. We need compensation for work related injuries
2. It's imperative that S.F. 917 gets to the floor this session.
3. Cost should not increase in any proposal
4. Do Not increase benefits to 200%
5. Do Not establish a state reinsurance fund

Sincerely,



Donald W. Wray -  
Vice President

# MINNESOTA SUPPLY COMPANY



3529 RALEIGH AVENUE SO.  
MINNEAPOLIS, MINN. 55416  
920-8620 AREA CODE 612

April 5, 1979

The Honorable Emily Anne Staples  
Senate Committee on Employment  
235 State Capitol  
St. Paul, MN 55155

Re: Workers' Compensation - SF 917

Dear Senator Staples:

As a small business we feel the above bill will be a big improvement on the Workers' Compensation System for our State except for the following two provisions to which we strongly object:

- 1 - A State Reinsurance Fund would create another bureaucracy and business will have to pay for a double system of administration and would not be relieved of any liability.
- 2 - The maximum disability increase from 100% of the state-wide average weekly wage to 200% would increase Workers' Compensation premium rates by approximately 5%, which would increase the already soaring cost of this insurance.

We hope you will work for a good bill, fair to both workers and employers. This should do much to improve the business climate of Minnesota and discourage our customers from moving to and building plants in other states.

A handwritten signature in cursive script, reading 'Ruth Kincaid'.

Ruth Kincaid  
Treasurer

RK:lp



P.O. BOX 1227 — 600 N. 54th Ave. — St. Cloud, MN 56301 — Tel. 612-252-8200

April 4, 1979

Senator Emily Staples  
Minnesota Senate  
State Senate  
St. Paul, MN 55155

RE: S.F. 917  
Workers Compensation

Dear Senator Staples:

I wish to express my concerns and opinions concerning this very, very important issue and legislation being considered in your committee.

The competitive survival of businesses located in Minnesota (medium sized and small businesses in particular) hinges upon legislation passed this session which will be two-fold in purpose. Workers compensation insurance rates must be reduced and insurance carriers risk confidence restored so this can be accomplished.

Everyone should agree that the insurance industry (carriers and agents) are in business to sell their product provided the costs and risk exposures are in line. The only reason Minnesota rates are higher than those in neighboring states is because the present law and administration of the law has been so loose that insurance carriers are faced with many more unpredictable present and future risk exposures.

Costs can be reduced if benefits are held in line; administration of the law functions on an impartial basis and the law sets definite risk limits.

The Workers Compensation Study Commission Report, as the result of the very comprehensive study of the problem, itemizes several things with which I cannot agree, namely--

1. Costs cannot be reduced if benefits are to be increased, such as in accordance with Item #5 recommending an increase in the maximum disability benefit to 200% of the average weekly wage. This should be held at the present 100% maximum level.
2. Private enterprise can always function more efficiently than government and Item #47 suggesting creation of a state fund in any manner or form would be, in my opinion, a serious mistake. My research extending over a period of years indicates that state operated funds have not had the financial security (as required by the private sector insurance carriers) and several are in what we would consider a deficit balance (bankrupt) condition.

This addition of another level of state bureaucracy into an unknown and risky business will not reduce the cost of government.

I cannot resist citing the Federal Social Security System, Unemployment Compensation Funds and the unknown pension funding fiascos at all levels of government as further reasons for non-involvement by the State of Minnesota.

3. Without specifically tying my further comments to specific items in the Study Report, costs could be reduced if a Death Benefit Limit was set at \$50,000-\$60,000. At the present time, without a death limit insurance actuaries are faced with an unknown. Could individuals purchase insurance of unknown amounts as a fixed costs? This is a serious problem for carriers in setting aside reserve funding. This item alone, I am told, could reduce premiums several percent.

The re-insurance industry has also been concerned over the indexing of weekly benefits at 6% and have expressed a somewhat compromised 4% level as being more realistic. Even 4% compounds costs over the years.

Minnesota has a reputation for making re-opening of cases almost automatic whereas Wisconsin and other states having lower rates deny re-opening to a greater degree.

The hearing process also needs to be tuned to a more impartial and professional basis whereby non-work related injuries and illnesses are not compensable under the system.


5. There must be more emphasis on Worker Rehabilitation and the Study Commission Report indicates a thrust in that direction rather than re-training and its inherent abuses.

In conclusion, bear in mind that almost all of the Workers Compensation Insurance Companies are doing business in our neighboring states as well as in Minnesota. The laws and administration of the laws under which they have to operate dictate what they must charge business for the service and risk involved, also, whether they feel the return and risk is warranted under existing conditions.

I am confident that your concerns and mine are the same--let's pass corrective legislation this session which will reduce premiums more than the "talked about" one or two percent. Otherwise Minnesota's Number One business problem will continue to multiply making it difficult to keep present industry and attract new industry in our state.

Yours truly,.

DCI, INC.

  
Carl F. Nielsen  
President



MEMORANDUM

FROM: PATRICK McGUIRE, ATTORNEY AT LAW  
RUSH CITY, MINNESOTA

RE: "A REPORT TO THE MINNESOTA LEGISLATURE  
AND GOVERNOR, MINNESOTA WORKERS' COMPENSATION  
STUDY COMMISSION, FEBRUARY 1979"

The thoughts that are expressed in writing in this memorandum will just put down in writing that to which I testified to on Monday, March 26, 1979.

I will hereafter just refer to the recommendations by their number, and not state what the recommendation itself is.

My thoughts are as follows on certain of the recommendations:

1. Recommendation 1. I believe that if this particular recommendation is followed, it will be a recommendation whereby people will of necessity have to go on welfare, because the wage-earner and his family will not have enough money coming in to meet their expenses. It will deprive the families of economic security during a period of re-training. I refer you to Page 18 of this same report, wherein it is stated: "Workers' Compensation has always been looked upon as a method of assisting injured employees in maintaining their standard of living during recovery. . ."

An adoption of Recommendation 1 would certainly go against the underlying philosophy of the workers' compensation law.

2. Recommendation 2. This should not be adopted because permanent total and permanent partial are different types of compensation. Permanent partial is at the present time, and should be compensation in the nature of damages against the employer and the insurer for the industrial accident; and permanent total is a compensation to the employee to compensate the employee for the wage loss that the employee has incurred.

Permanent partial has no relationship to the wage loss, and this Recommendation 2 should definitely not be adopted.

3. Recommendation 3. This will reduce the minimum weekly compensation benefit for the temporary totally disabled employee, and is not in the best interest of the employee.
4. Recommendation 4. This is a very poor recommendation, as it goes against the liability of the insurers for the work-related injury. The fact remains that the employee was injured on the job, and the employer should be liable for all of the direct consequences of that injury; and the fact that



the employee has received the collateral benefit on a prior injury should be immaterial to the obligation of the employer and the insurer to provide workers' compensation benefits.

5. Recommendation 6. Recommendation 6 is another bonanza for the insurance company. It allows the insurance company to recover benefits paid due under a mistake of fact. If an insurer does not have its books in order, enough so that they make a payment under a mistake of fact, they should not be permitted to recover any part of that money paid under a mistake of fact. An adoption of this Recommendation 6 will open the area widely for insurers to continually claim they paid under a mistake of fact.

Also, as a practical matter, an employee who is injured on the job and is just struggling from an economic point of view, undoubtedly will have spent the money that was paid under a mistake of fact, and what the insurer will do is offset the money paid under a mistake of fact to any future payments that are due the employee.

6. Recommendation 7. This is regarding the yearly adjustment of benefits be applied only after 104 weeks of disability. It is to me; foolish. The employee, on a short-term basis, is just as much in need of being compensated for inflation as is an employee injured on a long-term basis. It is real nice to make a theoretical distinction between a short-term case and a long-term case, but ask the employee who was injured whether or not his pain was any different on a short-term case. Ask the employee who was injured as to whether or not his disability is any less severe on a short-term case. Ask the employee if his economic needs are any different on a short-term basis than they are on a long-term basis. This again is a recommendation that certainly is very advantageous to the insurers.
7. Recommendation 9. This regards the removing of the statutory presumption, as regards peace officers: as a theoretical matter, this recommendation is neither good nor bad. Because of the particular law in the state of Minnesota, the statutory presumption, theoretically carries no weight. But the statutory presumption must be looked at in a practical manner, and as a practical matter, the presumption does carry weight. I have been in the Supreme Court of Minnesota on the statutory presumption that regards arterial disease in relationship to firemen. The reason that we lost the case was because we were claiming that cerebral arterial sclerosis was an occupational disease of firemen, and we were turned down because there was no statutory presumption on that particular occupational disease.

An adoption of Recommendation 9 will also be a very good thing for insurers, because it will effectively eliminate peace officers that have heart and arterial disease from compensation.

I don't know of any severe problems for the Workers' Compensation system that the presumption has had in the state of Minnesota.

8. Recommendation 10. It is a good recommendation in part, and a bad recommendation in part. It is a good recommendation because it puts men in the same category as women, as far as being conclusively presumed to be wholly dependent.

It is a bad recommendation because the presumption is removed two years after the date of death, and the insurer will be allowed an offset of income as noted in the recommendation.

This also is a bonanza for the insurers. What the insurers will do if this recommendation is adopted, is that they will have the law developed through interpretation that it is the obligation of the surviving spouse to go out and seek earned income, so that the insurer may offset, as noted in this particular recommendation.

I believe your life insurance statistics show that men die before women, and this in effect will be a great penalty on women for two reasons:

1. A young widow should not be forced to go out into the labor market, but should be home taking care of her children; and the employer and the insurer which caused the death of her husband should bear the burden of giving compensation to that widow for the raising of her children.
  2. An older widow, whose children have all grown up, has been out of the labor market for so long that it would be almost impossible for her to get a job, and if she did get a job, it would be a very menial job not commensurate with the dignity which she deserves.
9. Recommendation 14. As far as re-training and rehabilitation goes, it appears to me to be the direct result of a lobbyist in re-training and rehabilitation. This provision will do nothing more than create another governmental agency for people to be concerned about, another governmental agency to dictate to the people, another governmental agency that can act arbitrary and capricious, and another governmental agency that, if it does act arbitrary and capricious, will force the employee to go to the Minnesota Supreme Court at great expense.

It is noted on Page 27 of the recommendations that the insurer and the employer are permitted to choose the rehabilitation agency which will be responsible for carrying out the particular plan in question.

The recommendation itself is bad, is unnecessary, is cumbersome, creates only another state agency, is just what the insurers want because it gives them control of a great deal.

10. Recommendation 15. This gives the Commissioner of Labor Industry the authority to promulgate by rule, schedules which would permit an objective assessment of the degree of disability. It is theoretically fine, but as a practical matter, it is a very poor recommendation. Disability is in great part subjective, and what may be severely disabling for one person may not be severely disabling for another. What is an objective assessment of degree of disability? It is impossible to eliminate the subjective character of injuries of employees.

I believe it would be generally accepted that the Guide of the American Medical Association to the Evaluation of Permanent Impairment is a conservative guide, and one which is very, very unrealistic.

Again, this is a recommendation which is insurance-prone, and which is not in the best interest of the employee.

11. Recommendation 20. This is a very good provision for the insurance company, but is a very poor provision for the employee. All the insurer has to do to set up the employee, is to put an adjuster with some medical knowledge on the file, have the adjuster examine a medical carrier file, see that there is a good possibility that the injury or occupational disease is connected with the employment, and just sit back. This would be extremely probable in occupational diseases; and also in the type of injury that can come about through repetitive insignificant trauma, which, cumulatively speaking, produces great disability to the employee.

A number of years ago, I was in a case in which the notice to the employer was held to the proper notice, because the employer did examine medical carrier files and found ample evidence that the employee's occupational disease could very well be a result of the employment; and the employer's insurer sat back and did nothing.

This is a very slanted recommendation in favor of the insurer.

12. Recommendation 25. This would be a disaster. It is hard enough at the present time to argue a case in front of three members of the Workers' Compensation Court of Appeals, and it would be just that much harder to have to contend with five different opinions.



It is noted that two of the five will be non-attorneys. The Workers' Compensation Law in Minnesota is very technical, is governed by decisions which are published, and by decisions which are unpublished, along with decisions of the Minnesota Supreme Court.

For one to be knowledgeable on Workers' Compensation Law, it takes a great deal of study, it takes a great deal of stamina, and it takes a great deal of knowledge on the Workers' Compensation statutes. It would be inconceivable to me that a non-attorney would be well-equipped to serve as a Workers' Compensation Court of Appeals judge.

They certainly would be at a handicap in writing any type of legal opinion on a case, because their knowledge of the law would undoubtedly be lacking.

13. Recommendation 57. Recommendation 57 is very important to keep in the law, because pain is of the essence, in my judgement, of what a rating should be on a permanent partial disability case; or as to whether or not the employee is totally disabled. To take away pain as a compensable consideration would be one of the finest things that could happen to the insurance industry, and to the corporations in the state of Minnesota.

I want to offer at this time, one comment on the motions defeated. That is, the first motion where there was a 7-7 tie that permanent partial disability should be apportioned between work-related and non-work-related conditions.

This motion should stay defeated, it should be buried, and it shouldn't even be talked about; because, in my opinion, it is ridiculous. The fact of the matter is that if an employee has a prior non-work-related condition, and is working satisfactorily for the employer, then the employer should take that employee as the employer finds the employee, and should not be able to sneak out by saying that part of the disability is a non-work-related disability.

The fact remains that the employee, in his partially disabled condition, was able to work for the employer, do a good job for that employer; and now, after a work-related injury, the employer wants to apportion, if you please, the prior non-work-related disability to the permanent partial disability done at work.

If this type of motion is adopted and put forth and passed as law, it will be a tremendous burden to the employee; and again, this is a motion which is very good for the insurer.

I have saved until last, two provisions of the recommendations that I want to really emphasize. They are as follows:

1. Recommendation 34. This requires that the compensation judges appoint a neutral doctor for a third medical opinion, at the request of either party in contested cases.

This will very effectively decrease awards given to employees. It would be, that time after time, if this recommendation is adopted as law, there will be requests by the insurers for a neutral physician. The reason why this will be true is as follows:

1. Nobody knows what the definition of a neutral doctor is.
2. Assuming that we would agree on what a neutral doctor is, a neutral doctor in and of himself may be a specialist in his specific specialty, but may not know anything about Workers' Compensation Law, may not be interested in learning anything about Workers' Compensation Law, and if a doctor who examines for Workers' Compensation purposes does not have a basic knowledge of Workers' Compensation Law, that doctor is going to time after time after time after time come up with conservative ratings, come up and state that the employee is not totally disabled, come up with opinions stating that certain occupational exposures did not produce an occupational disease. What will happen will be that the alleged neutral doctor will be a doctor, non-schooled in Workers' Compensation Law, and as a doctor who is not familiar with the law, the doctor will look at the problem in a purely mathematical equation point of view.

I had occasion as late as one week ago to spend two and one half hours with a very fine, educated, well-informed doctor on the disease of emphysema and leukemia, and the relationship of the emphysema to the leukemia, and the relationship of the emphysema to certain work exposures.

I spent two and one half hours with that doctor, and finally, at the end of two and one half hours of explaining to him the Workers' Compensation Law, he did give a report, which will be not as bad for us as if we just asked him to give us a medical report. He was a

neutral doctor, he had no axe to grind in any shape, manner, or form, but he didn't know anything about Workers' Compensation Law; and, as a result, his opinion reflected that, and it was he who told me that he, as a physician, must look at the medical causation problems of the emphysema to the industrial exposures, and the relationship of the emphysema to the death intertwined with leukemia, in a purely mathematical equation point of view.

Making it mandatory for the compensation judge to appoint a neutral doctor will be the greatest, the largest, the biggest, shaft that the employee has been given since the Workers' Compensation Law has been adopted. It is an absolutely unmitigated, horrible recommendation, and one which should be summarily dismissed and should not take up much of anybody's time because it is a provision which is so insurance-prone, that it actually makes one sick to even make a thorough analysis of it.

2. Recommendation 28. This regards attorney's fees. It states that an attorney's expertise should be considered in awarding fees. As noted, MS 176.081 (7) implicitly includes the expertise of the attorney when awarding attorney's fees. It is just not explicitly in the statute at the present time. There was no doubt that it should be.

As long as I am on the subject of attorney's fees, I will state that there must be some drastic legislative revision of Minnesota Statute 176.081.

I have been in instances, and I have talked to other attorneys who have been in instances, and the instances have not just been an instances here and an instance there, but they have been quite prevalent, when the people at the Workers' Compensation Division in charge of attorney's fees are absolutely, categorically, refusing to follow MS 176.081 (7), are absolutely refusing to follow the one Minnesota Supreme Court case that I am aware of that interpreted that statute, said case stating that the attorneys were entitled to a reasonable fee for their work.

The contacts that I have had with some of the people who are in charge of attorney's fees have adopted the following position: that if an attorney gets a case where, because of the attorney's expertise and because the attorney knows what he is doing, gets the insurance company to give up, and that attorney does not spend a great deal of time on the case, then consistently, the attorney is put on an hourly wage by the person deciding the fee and is, quite bluntly, to go



plumb to hell. If that attorney thinks that attorney is going to get anything more, other than an hourly wage, he is wrong. And then, the hourly wage which was granted is an hourly wage which was in effect maybe three or four or five years ago, and the person overseeing attorney's fees will not allow, in the situation that I have just enunciated, the attorney to collect a contingent fee. The story told to the attorney is that that case wasn't a contingency fee case because the insurance company gave up, and the employee's attorney got 100% of what the employee was supposed to get, without going to trial.

On the other hand, if one has a difficult case, and one spends 150 hours on the case; and one, because of that work, and because of the expertise, and because of the knowledge of medicine and law that the attorney might have, the attorney gets a very favorable settlement for the employee, whereby if the attorney were paid on an hourly wage, the employee would be paid over \$5,000. Then, the argument is, "Well, the legislature really didn't intend that any attorneys be paid over \$5,000, and therefore you, Mr. Attorney, cannot charge on an hourly basis."

As a fact, of course, you know that the legislature did not limit attorney's fees to \$5,000, but just used that as a cutoff point and made special provisions for various times when attorneys could claim in excess of \$5,000 on a Workers' Compensation case.

The above instances that I have cited, have personally happened to me as an employee's attorney.

There is going to have to be something drastic done, as far as attorney's fees goes; because the attorneys are quite consistently getting the shaft, and if the private attorneys are not allowed to make a reasonable fee, they will be effectively driven out of the field of Workers' Compensation Law, and that will be a very big deficit to employees; because historically, it has been the private attorney who has been the crusader for liberalizing employee's rights under the Minnesota Workers' Compensation Law.

Without the private attorney, practicing Workers' Compensation Law, it would be my judgment that the Workers' Compensation Law would not have reached the point where it has, where the employee is reasonably well-compensated because of the injuries he sustains.

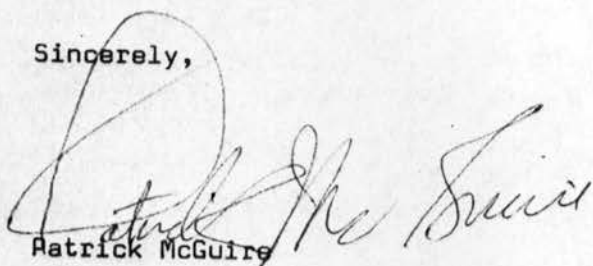
But the nonsense that goes on at the present time in determining attorney's fees by some of those people (not all) who determine attorney's fees, is absolutely ridiculous, is not in conformity with the Minnesota statutes,

is not in conformity with the Minnesota law, and, quite bluntly, some of the people determining attorney's fees at the present time are literally telling the attorney, "I don't have to follow the attorney's fee statute. I will give my own interpretation of the Workers' Compensation statute on attorney's fees. I am not even aware of what the Supreme Court has said on attorney's fees." (This, can you believe it, was actually said to me by one of the people who was in charge of establishing attorney's fees.)

I want to take this opportunity to thank you a great deal for allowing me to testify on March 26, 1979.

If you want any clarification of my thoughts, I will be more than happy to give them to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patrick McGuire".

Patrick McGuire

PM/pjl

P.S. Regarding the above quotation on this page 9 what was said to me was not the whole thing in quotes but that is the effect of what was said to me and what was said categorically to me was that the particular person in charge of determining attorney's fees was not aware of what the Supreme Court had said on attorney's fees. I then showed that person the Supreme Court opinion on attorney's fees, he read over the opinion and said it didn't make any difference as far as he was concerned that I would still be put on a hourly basis on the particular case involved and would not be allowed to charge a contingent fee. The case I have in mind is a very recent Supreme Court case and it explicitly states that there is no set fee in Workers Compensation Cases but that all of the considerations are to be taken in to consideration that are enunciated in M.S. 176.08 ( 7. The Supreme Court specifically stated that the attorney was entitled to a reasonable fee).

4/4



April 2, 1979

The Honorable Emily Anne Staples  
Senate Committee on Employment  
State Capitol  
Room 235  
St. Paul, MN 55155

Dear Ms. Staples:

Re: Workers' Compensation  
Senate File 917  
House File 946

Please reconsider the above bills in their present form. Of great concern to us are the recommendations of the Study Commission in the following areas: (1) the increase in the maximum disability benefit from 100% of the state-wide average weekly wage to 200% of the state-wide average weekly wage; and (2) the establishment of a state reinsurance fund which would provide exclusive coverage for all benefits due on claims continuing after five years from the date of injury.

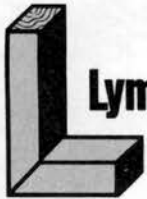
Our concerns are, that with the bills as they stand, (1) worker's compensation premium rates would be increased about 5%, and (2) as for the reinsurance fund, we as employers will be paying for a dual system of administration.

We urge you to amend the above bills.

Yours very truly,

A handwritten signature in cursive script, reading 'Donald C.G. Nelson'.

DCGN b



# Lyman Lumber Company

the professional builder's  
supply center

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THOMAS P. LOWE  
President

R. L. DePAUW  
Vice President

April 2, 1979

The Honorable Emily Staples  
State Senator  
Room 235  
Capitol Office Building  
St. Paul, Mn. 55155

Dear Senator Staples:

Representatives of the Greater Minneapolis Employers Association told me that you were interested in hearing directly from employers who have had complaints regarding Worker's Compensation in the State of Minnesota. I represent one such employer who feels there is a great need for change in this area.

Our company's offices are located in Excelsior, Minnesota. We are in the lumber distribution business and employ over 200 people in the western suburbs of Minneapolis. I myself deal directly with our Worker's Compensation plans and responsible for its administration.

Because of the relatively recent changes that have upgraded our Worker's Compensation plans in Minnesota, our company has witnessed tremendous raises in our Worker's Compensation insurance premiums. We have also had problems with individual employees who have taken advantage of the system by either lingering with injuries sustained on the job without incentive to return to work or by taking advantage of injuries which were received before coming to employment with our company and not registered under the Second Injury Law.

Without going into great detail regarding these complaints I would encourage you to support the bill before your committee in the Senate. Although not all of the parts of this bill are favorable in our eyes we do believe that it represents in total a positive reform for our Worker's Compensation Statutes.

I would be happy to communicate with you further in writing or over the phone regarding this area of Worker's Compensation. I also extend an invitation for you to stop at our new offices in Excelsior to discuss this matter with the president of our company. We would be most interested in telling our side of the story.

Sincerely yours,  
LYMAN LUMBER COMPANY

*Thomas Wylie*  
Thomas Wylie  
Personnel Manager

TW:dm



14

# Keelor STEEL & ALUMINUM CO.

5101 BOONE AVENUE NORTH • MINNEAPOLIS, MINNESOTA 55428

KENNETH J. MIORANA  
PRESIDENT

April 3, 1979

The Honorable Emily Staples  
State Senator  
Room 325  
State Capitol Building  
St. Paul, MN 55155

Dear Senator Staples,

As one of your constituents\* I am anxious for you to know how I feel concerning Minnesota's Workers' Compensation legislature.

By way of introduction let me say that I manage a metal service center which is located in New Hope (Senator Humphrey's district). Keelor has been in the metals processing and distribution business for 30 years, the last ten of which have been at our present site. Keelor employs approximately 80 people, a large percentage of whom reside in Plymouth, New Hope, and Crystal area.

Over the last year or so I have become intimately acquainted with some of the strengths and shortcomings of our present workers' compensation laws. While I do not approve of each and every facet of Senate File No. 917, I believe it has substantial merit and should be brought along through the Senate Employment Committee. I believe there are many good provisions in this proposed legislation... particularly with respect to rehabilitation provisions. I can recite firsthand experience where the mechanics and implementation of existing remedies to help an injured individual become productive again are almost indescribably weak. I personally believe that legislation and treatment, and counselling should encourage getting the injured worker back to a productive place in society in the shortest possible amount of time.

\*Home address: 18515 30th Pl. No.  
Wayzata, MN 55391

Likewise, the elimination of "double dipping" is also proper and I would like to see you support that section as well.

Among the provisions of SF917 there is one that I simply cannot accept, namely, the idea of increasing the maximum disability benefits to 200% of the statewide average weekly wage. No one who has suffered the meteoric rise in premiums for workers' compensation insurance over these last few years needs a further increase. That aside, the concept of making it more financially rewarding to be unemployed than employed is totally abhorrent. All of us who are responsible for the safety and well-being of employees feel badly about any accident and we regret not only the injury but the mental trauma that associates with it deeply. We want the man and his family cared for during his convalescence and we want him back to work, properly healed and recovered, as soon as possible.

I believe the proposed changes in workers' compensation legislation will go a long way toward providing these benefits. One thing is for sure, taking no action, from what I have experienced, would be unconscienable.

When your committee meets to discuss this bill I hope you'll keep this letter in mind. Beyond that, if my experience would have any value to you or other members of the committee, I'd be only too happy to discuss the shortcomings of present legislation and identify how the new proposals would be an improvement.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. J. Kearney", written in a cursive style.

KJM:njt





**Lieberman Enterprises**

April 2, 1979

The Honorable Emily Anne Staples  
State Senator  
Room 235  
State Office Building  
St. Paul, Minnesota 55155

Dear Senator Staples:

It is with considerable concern that I write this letter to express my sincere desire to encourage your support in enacting meaningful reform to Minnesota's Worker's Compensation Law this session.

In my position as Director of Personnel for Lieberman Enterprises, Inc. a Bloomington based company with more than 300 employees living in the Twin City area I am deeply concerned about the need for positive action in bringing about long needed reform to the Worker Compensation Regulations.

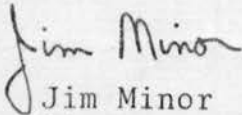
With the exception of Section 13-through 15 Increasing the Maximum Disability Benefits to 200% of the statewide average weekly wage and Sections 36-through 46 Establishment of a State Re-insurance Fund, I would strongly seek your active support in bringing about some definite changes in the Worker's Compensation Regulation which need immediate legislative action.

My many years of personnel experience has proven to me that Minnesota cannot tolerate anymore years of continued abuses in our current Worker's Compensation Law that this current Bill 917 should correct with your support.

Thank you for taking the time to read my thoughts and please take action that will help assure improved workers security against accident and illness for thousands of Minnesota citizens.

Sincerely,

LIEBERMAN ENTERPRISES, INC.



Jim Minor  
Director of Personnel

/ms

cc: Senator Edward J. Gearty  
President of the Senate



ROBINSON  
RUBBER  
PRODUCTS CO.

4600 QUEBEC AVE. NO.  
MINNEAPOLIS, MINN. 55428  
PHONE (612) 535-6737

March 29, 1979

CUSTOM MOLDED PARTS

Emily Anne Staples  
Room 235, Capitol  
St. Paul, Minnesota 55155

ROLLERS

To the Members and Staff of the Minnesota Senate  
Employment Committee

CUSTOM EXTRUSIONS

Dear Senator Staples,

SPECIAL  
FABRICATION

Thank you for hearing me on Wednesday, March 28. I'm sorry I tried to put too much into ten minutes. I hope the material I supplied will be of help. Should you have any questions, please contact me.

SBR  
Naturals  
Neoprenes  
Butyls  
Nitriles  
Hypalons  
Silicones  
Fluorels  
Urethanes

It would, I believe, be of value to restate my thoughts regarding a price competitive workers compensation system. I'm sure you all understand the concept, and I ask that you give this idea additional thought and discussion.

The State involvement in a price competitive system would remain nearly the same as present; the Legislature would set benefit levels and formulate operating law. The Insurance Division would monitor insurance company solvency, rates, and company operations. The Industrial Commission would police the proper and timely payment of benefits as well as serving its present judicial function. In my view, the National Council could continue to give rate-making guidance to each insurance company; the Compensation Rating Bureau would continue to record losses and determine experience ratios which the insurance companies could use in their premium determinations for each risk.

I'm sure many sellers and many buyers will find a proper price for the values fixed and protected by the state.

If I may be of further help, please feel free to contact me.

Yours truly,

Brad Robinson  
4600 Quebec Avenue  
Minneapolis, Minnesota 55428

Office - 535-6737  
Home - 474-5757



ROBINSON  
RUBBER  
PRODUCTS CO.

4600 QUEBEC AVE. NO.  
MINNEAPOLIS, MINN. 55428  
PHONE (612) 535-6737

CUSTOM MOLDED PARTS

RE: Workers Compensation SF 917

ROLLERS

Dear Senators,

CUSTOM EXTRUSIONS

I realize that tomorrow, Friday - April 6th, will be the day when major items 5 and 47 of the Workers Compensation Study Commission Report will be "duked out" along with other minority report amendments, all of which will receive much discussion.

SPECIAL  
FABRICATION

My fear is that the price competition amendment will be lost in the allotted time and will not be voted upon.

SBR  
Naturals  
Neoprenes  
Butyls  
Nitriles  
Hypalons  
Silicones  
Fluorels  
Urethanes

Mr. Markman and I have met and discussed this matter and both agree the amendment concept is very good, and could be improved with some wording changes which he and his staff are working on.

I ask that the amendment be moved and placed in the bill with the understanding that the technical language be added when the Insurance Division is finished with their improvements. Mr. Markman indicated to me Wednesday that this procedure meets with his approval. Senator Keefe has also said he will move the amendment as presently written.

I also ask that you keep in the backs of your minds an allotment of time to move, discuss, and vote upon the pricing amendment.

Thank you for your consideration.

*Brad Robinson*



1 Mr. .... moves to amend S. F. No. 917 as  
2 follows:

3 Page 2, line 7, strike "a minimum," and insert "an"  
4

5 Page 4, after line 19, insert:

6 "Sec. 5. Minnesota Statutes 1978, Section 79.21, is  
7 amended to read:

8 79.21 [RATES TO BE UNIFORM; EXCEPTIONS.] No insurer  
9 shall write insurance at a rate other-than which exceeds  
10 that made and put into force by the bureau and approved as  
11 adequate-and reasonable by the commissioner. The bureau  
12 may reduce or increase a rate by the application to  
13 individual risks of the system of merit or experience  
14 rating which has been approved by the commissioner. This  
15 reduction or increase shall be set forth in the policy or  
16 by indorsement thereon. An insurer may write insurance at  
17 a rate which is lower than the rate approved by the  
18 commissioner."

19 Page 10, after line 16, insert:

20 "Sec. 10. Minnesota Statutes 1978, Section 176.011,  
21 Subdivision 17, is amended to read:

22 Subd. 17. [PHYSICIAN.] "Physician" means one



**TELEX**

4/2  
**COMMUNICATIONS, INC.**

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93200 Saint-Denis - France  
Téléphone: 820.98.46 telex: telcodi 630013

March 30, 1979

The Honorable Emily Anne Staples  
Minnesota Senate  
235 State Capitol  
St. Paul, MN 55155

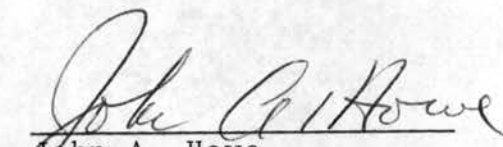
Dear Senator Staples:

I am writing this letter to urge you to enact the needed changes in the Workers Compensation Law.

I believe you should support the changes included in S.F. 917 except for the portion dealing with increasing the maximum disability benefits to 200% of the statewide average weekly wage.

The other items which should be deleted from S.F. 917 are the sections devoted to a state reinsurance fund.

In summary, I believe we have an obligation to properly compensate injured employees. However, we must improve the laws to eliminate abuses and reduce the cost of workers compensation.

  
John A. Howe  
Executive Vice President

JAH/djb

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4-039149E089002 03/30/79 ICS IPMBNGZ CSP MPSB  
2 6125356737 MGM TDBN MINNEAPOLIS MN 03-30 0212P EST

EMILY ANN STAPLES  
RM 235 CAPITOL  
ST PAUL MN 55155

THIS IS A CONFIRMATION COPY OF A PREVIOUSLY PHONE-DELIVERED TELEGRAM

DEAR SENATOR STAPLES

THANK YOU FOR YOUR TIME IN THE CONSIDERATION OF FF917 WORKERS COMP.  
I ASK FOR YOUR SUPPORT OF THE "COMPETITIVE PRICING AMENDMENT"  
FCS0917A41 PAGE 1 LINE 7.

THANK YOU VERY MUCH.

BRAD ROBINSON

14:12 EST

MGMCOMP MGM



4/2  
612-641-3800

building materials

## GREAT PLAINS SUPPLY COMPANY

1667 NORTH SNELLING AVE., P. O. BOX 43557, ST. PAUL, MINNESOTA 55164

March 30, 1979

The Honorable Emily Anne Staples  
State Senate  
St. Paul, Minnesota 55155

Dear Madam:

Senate File #917 dealing with Workmen's Compensation is of great interest to our company as our division employs approximately 380 people in Minnesota and our parent company, Farmers Union Grain Terminal Association, employs an additional 1,200 people in the state of Minnesota.

As a large employer of construction type people, we have known for a long time that our Workmen's Compensation laws in the state must be revised and we are very much in favor of your supporting Senate File #917, providing two provisions be removed.

The first provision which we strongly object to is that which would increase the weekly benefit from two-thirds of the average weekly pay, which is now \$209 per week, to 200% of the average weekly pay. We believe that such an increase will do even more to encourage abuse in the Workmen's Compensation organization. It would not only make our company adjust to higher insurance premiums but it would encourage the lower paid employees to file for Workmen's Compensation when it is not warranted.

The other provision which we object to is that which would set the stage for state funding of Workmen's Compensation. We believe that we as employers can exert enough influence on our insurance carriers to affect enough change to make the present system more acceptable. Our insurance carriers insure approximately 1,000 employees for us and we have approximately 400 more insured under the North Dakota Workmen's Compensation laws.

We are very appreciative that you have taken the time to study the present system and to look at many of the options available. We encourage you to take action for correction, but before allowing an increase in the compensation and allowing for state funding, we ask that you take the time to explain to us what abuses you are trying to correct in this area and offer us the chance to meet with you at your convenience.

Yours truly,

GREAT PLAINS SUPPLY COMPANY

John A. Sellner  
Vice President

# Washington's Workers' Compensation Costs Are

# OUT OF CONTROL!

1973 1974 1975 1976 1977 1978

\$400  
Million

\$300  
Million

\$200  
Million

\$100  
Million

## Here's Why:

### **COST—\$400 Million and Rising!**

Washington's Workers' Compensation costs are out of control! Workers' Compensation premium rates have more than tripled in the past three years; doubled in the last two years.

### **STATE MONOPOLY**

Washington is one of only six states in the nation which, by law, prohibits employers from insuring Workers' Compensation liability with private insurance companies.

### **RUN-AWAY CLAIMS CONTROL**

Run-away claims costs have resulted in a state fund currently facing an unfunded liability of \$94 million.

### **TREATS SYMPTOMS**

Workers' Compensation law should emphasize accident prevention — safety — not benefits payout.

### **UNFAIR APPEALS SYSTEM**

Washington is the only state that does not allow a jury to test the credibility of live witnesses or evaluate new evidence in a contested case. Instead, two attorneys read a cold hearing transcript to a bored jury in play-acting fashion.

### **UNNECESSARY COVERAGE**

Mandatory coverage of corporate officers bleeds small corporations that will seldom be in a position to collect benefits.

(over)

## **MONOPOLY IS UNFAIR!**

## **LACK OF PROFESSIONAL SERVICE**

Washington employers and employees should have the opportunity to take advantage of professional insurance services, such as safety engineering, industrial hygiene, and rehabilitation.

## **LAW BASICALLY UNFAIR**

Fairness requires a change in the law allowing Washington employers freedom to choose their insurance carrier — be it private or state.

## **LACK OF PERSONAL ATTENTION**

Injured workers deserve better personal service than the present "state insurance company" can give handling approximately 900 claims a day.

## **NO INDEPENDENT CONTROL**

The Department of Labor and Industries is the administrator, trustee of funds, maker of rates, giver of benefits, enforcer of safety rules, and "court" of original jurisdiction.

# **How You Can Help**

AWB's Workers' Compensation Task Force urges you to help persuade your legislators to change the law to:

- Improve claims administration, to get prompt benefits to legitimate claimants, and to discourage fraudulent claims.
- Revamp the appeals system to provide quick and fair resolution of disputed claims administratively — without the costs and delays of court proceedings.
- Allow insurance companies to offer Workers' Compensation insurance in this state for the benefit of injured workers, employers, and the public, who unknowingly pays this hidden cost of governmental monopoly.

## **HERE'S WHAT YOU DO . . .**

Call or write your elected representatives expressing your views on workers' compensation costs. (Send a copy to AWB.)

Distribute this information to your friends, business associates, employees, chamber and trade association representatives. (Additional material available from AWB.)

Contribute your time or money to the AWB Workers' Compensation reform effort.

**the association of Washington business**

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17315 13th Avenue North  
Wayzata, Minnesota 55391  
April 25, 1979

Senator E. Staples  
235 Capitol Building  
St. Paul, Minnesota 55155

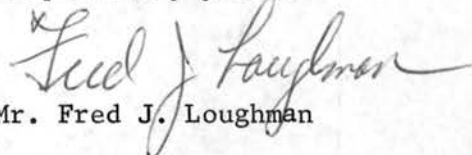
Dear Senator Staples:

Please be advised that the undersigned is in favor of SF 917.  
Hopefully, it should be passed in its original form.

I have heard comments on a possible State Fund for Minnesota.  
With what has been going on in the States of Ohio and Washington,  
with State Funds, I can't for the life of me understand why any  
responsible politician would even consider a State Fund when  
taxpayers have to pick up the load for employers.

I believe the bill should be passed based on the Study of the  
Workers Compensation Study Commission (a non-biased group.)

Respectfully yours,

  
Mr. Fred J. Loughman

FJL/am

**EMILY ANNE STAPLES**

Senator, 43rd District  
235 Minnesota Capitol  
St. Paul, Minnesota 55155  
(612) 296-4137  
1640 Xanthus Lane  
Plymouth, Minnesota 55391  
(612) 473-9120

**Senate**  

---

**State of Minnesota**

April 27, 1979

D. R. Olson  
1840 Comstock Lane  
Wayzata, Minnesota 55391

Dear Mr. Olson:

Thank you for your nice letter. I'm really distressed at yet another increase in Workers' Compensation rates. Your figures are incredible -- yet not too different from others I'm receiving.

I'm not sure the legislation we are working on now will help much -- but I certainly hope so. Our concern at the moment is to get it passed by both houses of the legislature.

It's an issue about which I really care and want to see something positive done. I'll continue working on it.

Best regards,

*Emily Anne Staples*

Emily Anne Staples  
State Senator

EAS:bwm

Dear Mr. Olson -

Thank you for your nice letter. I'm really distressed at ~~the~~ yet another increase in

Workers' Compensation rates. Your figures are incredible - yet not too different from others ~~for~~ receiving.

I'm not sure the legislation we are working on now will help much - but I certainly hope so. Our concern at the moment is to get it passed by both Houses of the legislature.

It's an issue about which I really care and want to see something positive done. I'll continue working on it.

B. R.

D. R. Olson  
1840 Comstock Lane  
Wayzata, MN 55391

Senator Emily Staples  
235 Capitol Building  
Aurora Avenue  
St. Paul, MN 55155

Dear Senator Staples:

My thanks for your fairness and interest in worker's compensation problems. I learned through mutual concerned friends of your latest committee vote.

A history of my corporation's compensation history is attached. It is obvious that the costs have sky-rocketed.

Please continue helping to straighten out this mess.

I will be calling after the session to arrange a meeting. Maybe I can be of some help in your campaign when election time comes around.

Sincerely,



D. R. Olson

DRO/jl



MEDKO, INC.

WORKMAN'S COMPENSATION PREMIUMS

| <u>Year</u> | <u>Rate<br/>3400<br/>Only</u> | <u>Mod.</u> | <u>Total(1)<br/>Premium</u> | <u>Total(2)<br/>Losses</u> | <u>Payroll<br/>All Classes</u> | <u>Premium %<br/>of Payroll</u> | <u>Total<br/>Employees</u> | <u>C.P.I. (57/<br/>12/31 58)</u> |
|-------------|-------------------------------|-------------|-----------------------------|----------------------------|--------------------------------|---------------------------------|----------------------------|----------------------------------|
| 1970        | 3.11                          | 0.76        | \$ 1,654.                   | \$ 737.                    | \$ 594,100.                    | 0.28                            | 80                         | 139                              |
| 1971        | 3.38                          | 0.80        | \$13,201.                   | \$ 1,538.                  | \$ 523,500.                    | 2.52                            | 63                         | 143                              |
| 1972        | 3.64                          | 0.72        | \$18,104.                   | \$11,457.                  | \$ 738,000.                    | 2.45                            | 82                         | 148                              |
| 1973        | 4.63                          | 0.75        | \$22,243.                   | \$24,429.                  | \$ 880,000.                    | 2.53                            | 94                         | 161                              |
| 1974        | 5.29                          | 0.75        | \$24,229.                   | \$53,006.                  | \$1,002,800.                   | 2.42                            | 91                         | 181                              |
| 1975        | 4.98                          | 0.82        | \$18,844.                   | \$ 1,103.                  | \$ 600,200.                    | 3.14                            | 49                         | 194                              |
| 1976        | 5.69                          | 1.26        | \$43,431.                   | \$64,210.                  | \$ 699,600.                    | 6.21                            | 54                         | 203                              |
| 1977        | 7.49                          | 1.29        | \$67,118.                   | \$ 5,016.                  | \$ 932,300.                    | 7.20                            | 71                         | 215                              |
| 1978        | 7.94                          | 1.41        | \$85,784.<br>(EST.)         | NOT KNOWN<br>YET           | \$1,050,500.                   | 8.17                            | 72                         | 237                              |

Totals through 1977:        \$208,824    \$161,496.

Footnotes:

(1) Gross premium w/o prem. disc. (audited)

(2) Paid losses & open reserves

Total Employees Down    10% through 1978

Total Payroll Up        77% through 1978

Premium Up                550% through 1978

C.P.I. Up                  70% through 1978

Ave. Mod. Up              86% through 1978

1977 Rate Increase        32%

1978 Rate Increase        6%

1978 Payroll Increase     13%

8 Year Loss Ratio         77.3%

Premium to Payroll Ratio Up    224%



Harry

Peterson

*International Brotherhood of*  
**BOILERMAKERS • IRON SHIP BUILDERS**



**BLACKSMITHS • FORGERS & HELPERS**

4/18/79

Room 550, 312 Central  
 Minneapolis, MN 55414

Ms. Emily Anne Staples, Dist. #43  
 235 State Capitol  
 St. Paul, MN 55155

Dear Sir:

Boilermaker Lodge 647 Political Committee and membership has very serious doubts as to whether or not Harry Peterson has the best interest of Minnesota Workers at heart considering his long term of service as Vice-President of Employee Relations for the Minnesota Association of Commerce and Industry.

We request the Senate of the State of Minnesota, to NOT CONFIRM the appointment of Harry Peterson as the Commissioner of the Department of Labor and Industry. Mr. Peterson is not an advocate for the working men and women of our state and has demonstrated that his appointment would be detrimental.

Very truly yours,

BOILERMAKERS LODGE #647

Don B. Scherer, President  
 & Chairman Political Committee

Bonney C. Pool, Bus. Manager

opeiu#12/mu

cc: Political Committee  
 Don B. Scherer, Chrmn.  
 James Lewis  
 John Kukiela  
 Wm. O. Frits  
 Robert G. Peterson  
 Larry Yoakum  
 Byron Tyler

3/28

# United Steelworkers of America

LOCAL UNION 2175

8609 LYNDAL AVENUE SOUTH  
MINNEAPOLIS, MINNESOTA 55420



March 26, 1979

Senator Emily Staples  
235 State Capitol  
St Paul, MN

Dear Senator,

On behalf of the 850 members of United Steelworkers of America, Local 2175, we urge you to reject the appointment of Harry Peterson to Commissioner of Labor and Industry.

We request that you promote an endorsement of a more labor oriented person to this position.

Sincerely,

Duane H. Wienke  
Chairman, PAC Committee

DHW:sw



3/20  
**Telegram**

SPA060(0959)(1-002338076058)PD 03/17/79 0828

ICS IPMMMMC MPS

04059 POM MINNEAPOLIS MN 15 03-16 215P CST

PMS THE HONORABLE EMILY ANNE STAMPLES

MINNESOTA STATE SENATE

STATE CAPITOL

STPAUL MN 55155

WE STRONGLY OPPOSE CONFIRMATION OF HARRY PETERSON AS  
COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.

MINNEAPOLIS BUILDING AND CONSTRUCTION TRADES COUNCIL

LEONARD C BIENIAS, BUSINESS MANAGER

NNNN

LEO SIEGLER, PRESIDENT  
FRANK CORCORAN, VICE PRESIDENT  
TERRY KOWAL  
SECY. - TREAS. BUSINESS REPR.  
VIRGIL HALLETT, REC. SEC'Y.



SERGEANTS AT ARMS  
JAMES CURTIS  
ROYAL CLARK  
TRUSTEES  
GERALD PAHL  
DEBRA PEARSON  
MARVIN SCHUMANN  
JANET RAUTIO

# American Federation of Grain Millers

Local Number One

10 WEST 25th STREET — MINNEAPOLIS, MINNESOTA 55404 — PHONE: 871-1369  
AFFILIATED WITH AMERICAN FEDERATION OF GRAIN MILLERS INTERNATIONAL (AFL-CIO-CLC)

March 26, 1979

To the Members of the Senate Employment Committee:

On Friday, April 6th, 1979, the Senate Employment Committee will begin hearings on the confirmation of Harry Peterson as the Commissioner of Labor and Industry.

We, the American Federation of Grain Millers Local #1 want to go on record as being opposed to this appointment.

The reason we are opposed to the appointment of Harry Peterson is that we do not think he (Harry Peterson) will be looking after the welfare of the working men and women of the state of Minnesota.

We believe that this is the number one job of the Commissioner of Labor and Industry.

Sincerely yours,

Terry A. Kowal  
Sec'y-Treas. & Bus. Repr.

TAK: jmr

OPEIU # 12



3/27

# MINNEAPOLIS CITY AND COUNTY EMPLOYEES

DISTRICT COUNCIL NO. 3  
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES  
AFL-CIO



JOHN McDONALD, PRESIDENT

STANLEY STABNO, BUSINESS REPRESENTATIVE  
WILLIAM D. CARROLL, BUSINESS REPRESENTATIVE

March 26, 1979

The Honorable Emily Anne Staples  
State Senate  
235 Capitol  
St. Paul, Minnesota 55155

Dear Senator Staples:

This Organization respectfully requests that you refuse to confirm the appointment of Harry Peterson who is the nominee for Labor and Industry Commissioner.

We are inclined to the point of view that he will be unable to represent the position fairly because of his fifteen years as Vice-President of Employment Relations for the Minnesota Association of Commerce and Industry. It would be impossible for Mr. Peterson to place himself in the role of advocate representing the interests of working men and women in the state of Minnesota.

Respectfully,

John McDonald, President  
District Council No. 3  
AFSC & ME

JMcD 1h



# United Steelworkers of America

LOCAL UNION 4108, DISTRICT 33

P. O. Box 10

AURORA, MINNESOTA 55705

PHONE - Area Code 218 - 229-3216

3/20  
Joe Smilanich, Pres.  
Elroy Rafferty, Vice Pres.  
James Kozar, Rec. Sec'y.  
David Trach, Fin. Sec'y.  
John Perko, Treas.

March 19, 1979

Senator Emily Staples  
235 State Capitol  
St. Paul, Minnesota 55155

Dear Senator Staples:

We are quite concerned with the proposed appointment of Harry Peterson as Commissioner of Labor and Industry.

Mr. Peterson has a long history of employment and lobbying for management. The day before his appointment he was in the Senate lobbying against labor. We would hope to have a commissioner who would not be so biased and would listen to both sides.

We hope you will vote against the appointment of Harry Peterson as Commissioner of Labor and Industry.

Sincerely yours, .

Joe Smilanich

JS:SL

3/22

# Bricklayers and Allied Craftsmen

## Local Union No. 2, Minneapolis, Minnesota



328 UNITED LABOR CENTRE  
312 Central  
Minneapolis, Minnesota 55414

"Build Better For Less With Masonry"

TELEPHONES: 379-2966  
379-4230

March 21, 1979

Dear Senator,

The 1550 members of the Minneapolis Bricklayers and Allied Craftsmen Local No. 2 of Minnesota strongly oppose confirmation of Harry Peterson as Commissioner of The Department of Labor and Industry, and urge your support of our position.

Sincerely,

Gordon E. Nylin

Financial Secretary-Treasurer

3/21

*Twin City*



# CARPENTERS DISTRICT COUNCIL

OF UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

842 RAYMOND AVENUE

• ST. PAUL, MINN. 55114 •

Phone 646-7207

March 16, 1979

Dear Senator:

As Secretary-Treasurer of the Twin City Carpenters District Council, I am requesting that you vote no on the confirmation of Harry Peterson as Commissioner of Labor and Industry.

In view of his past record of opposition to any legislation to improve Workman's Compensation and other bills, I do not feel his appointment would be in the best interests of the working men and women of this state.

Respectfully,

*Donald G. Jackman*

Donald G. Jackman, Secretary

DGJ/pb  
opeiu #12

HOTEL, MOTEL, RESTAURANT, BAR AND CLUB EMPLOYEES UNION  
LOCAL NO. 17 OF ST. PAUL, MINNEAPOLIS AND VICINITY AFL-CIO

312 CENTRAL AVENUE - MINNEAPOLIS, MINNESOTA 55414

SUITE 456 - UNITED LABOR CENTRE

PHONE (612) 338-7727

MC 3

PRESIDENT AND CHIEF

EXECUTIVE OFFICER

Caleb Wright

FINANCIAL SECRETARY

OFFICE MANAGER

EUGENE A. TONDA

EXECUTIVE VICE PRESIDENT AND

ASSISTANT TO THE PRESIDENT

DOUGLAS R. WRIGHT

RECORDING SECRETARY

Wm. Yonkovich

TREASURER

Daniel Kuschke

March 26, 1979

Emily Staples  
1640 Xanthus Lane  
Plymouth, MN 55391

To whom it may concern:

Hotel, Motel, Restaurant, Bar and Club Employees  
Union, Local No. 17 of St. Paul, Minneapolis and  
Vicinity takes the position of being opposed to the  
appointment of Harry Peterson as the Commissioner of  
Labor and Industry.

Very truly yours,

*Caleb Wright*

Caleb Wright

President and Chief Executive Officer

*Gene A. Tonda*

Gene A. Tonda  
Financial Secretary

opeiu#12/bjd



D. R. Olson  
1840 Comstock Lane  
Wayzata, MN 55391

March 30, 1979

Senator Emily Staples  
235 Capitol Building  
St. Paul, Minnesota

Dear Ms. Staples:

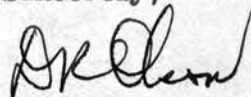
I hope you will lend your support to Harry Peterson's confirmation as Commissioner of Labor and Industry.

He is fair-minded and sympathetic to both labor and industry.

I heard him speak recently and was favorably impressed with his ideas on organizing and operating the Worker's Compensation Bureau.

I'll be calling you soon to hopefully schedule a breakfast meeting. We can then discuss worker's compensation insurance and how it effects employment at my business.

Sincerely,



D. R. Olson

DRO/jl

3/29



## PLUMBERS UNION NO. 15

708 SO. TENTH ST. • MINNEAPOLIS, MINN. 55404 • 336-8601

March 27, 1979

Minnesota Senate  
State Capitol  
St. Paul, Minnesota 55155

Dear Senator:

On behalf of the members of Minneapolis Plumbers Union Local #15,  
please vote against confirmation of the Governor's appointment of  
Harry Peterson for Commissioner of Labor and Industry.

Mr. Peterson has been actively working contrary to the best  
interests of the working men and women of our state.

Thank you for this consideration.

Sincerely yours,

*William J. Lichliter*

William J. Lichliter  
Business Manager

*W. James Corbett*

W. James Corbett  
Financial Secretary-Treasurer

WJC:pd  
opeiu#12

Mr Alfred Scott  
830 North 23rd Avenue West  
Duluth, Minnesota 55806  
March 28, 1979

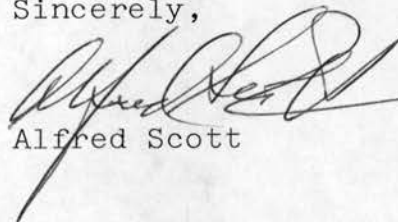
The Honorable Emily Anne Staples  
235 State Capitol Building  
St. Paul, Minnesota 55101

Dear Senator:

I respectfully request that you vote against confirming Harry Peterson as Commissioner of Labor and Industry. I feel that he is pro-management and anti-labor and cannot serve in this responsible position to the best interest of the majority of the citizens of Minnesota.

Your serious consideration in this matter will be appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Alfred Scott', with a long horizontal flourish extending to the right.

Alfred Scott

4/2

# TWIN CITY GLAZIERS & GLASS WORKERS

## Local No. 1324

708 South 10th Street  
333-5822  
MINNEAPOLIS, MINNESOTA 55404



March 30, 1979

Minnesota Senate  
State Capital  
St. Paul, Minnesota 55155

Dear Senator:

On behalf of the members of Twin City Glaziers and Glass Workers Local Union 1324, please vote against confirmation of the Governor's appointment of Harry Peterson for Commissioner of Labor and Industry.

Mr. Peterson has been actively working contrary to the best interests of the working men and women of our state.

Thank you for this consideration.

Sincerely yours,

Ralph Thier  
Business Representative  
Financial Secretary

RT:mb  
opeiu/f12

MAILGRAM SERVICE CENTER  
MIDDLETOWN, VA. 22645



**Mailgram**<sup>®</sup>



2/20

4-054255E088 03/29/79 ICS IPMBNGZ CSP MPSB  
2188473222 MGM TDBN DETROIT LAKES MN 100 03-29 0453P EST

EMILY ANN STAPLES  
235 CAPITAL  
ST PAUL MN 55155

WE REQUEST YOUR VOTE NOT TO CONFIRM THE APPOINTMENT OF HARRY PETERSON  
AS COMMISSIONER OF LABOR AND INDUSTRY. PLEASE REAPPOINT E. I. (BUD)  
MALONE.

MEMBERS OF LOCAL 126 LIVING THROUGHOUT THE 23-1/2 COUNTIES OF NORTHWESTER  
N MINNESOTA

LOCAL 126 PLUMBERS AND STEAMFITTERS  
DETROIT LAKES MINNESOTA

16:53 EST

MGMCOMP MGM



3/30

# IRON RANGE LABOR ASSEMBLY

5

AFL-CIO

Minnesota Federation of Labor

International Labor Council

8th District C. O. P. E.

Grand Rapids, Minn.  
March 28, 1979

Senator Emily Ann Staples  
235 Capitol, St. Paul, Minn.

Dear Senator;

Delegates to the Iron Range Labor Assembly, AFL-CIO, affiliated with 41 Union Locals and representing over 10,000 members, go on record in opposition to the appointment of Harry Peterson as Commissioner of Labor and Industry.

Mr. Peterson, as vice president of MAIC, has appeared before legislative committees and state and federal agencies in opposition to laws for the good and welfare of the working people. He has opposed OCIA, the job safety act, the minimum wage and hours, apprenticeship, private pension protection, prevailing wage rates on state financed projects and wanted to slash benefits of disabled employees for job related injury or illness.

How can he now reverse his position, after 15 years, and enforce laws essentially designed to protect workers—not the business community?

We do not think Mr. Peterson is qualified to fulfil this obligation, and urge you not to confirm him.

Sincerely,

Florence McFarland,  
Corr. Sec.

*Florence McFarland*

Merle Williams  
Financial Secretary

Willard Anderson  
President

3/3  
Harry Kuharenko  
Vice-President

Arvid Sundquist  
Treasurer

# United Steelworkers of America

William Ranger  
Recording Secretary

*District No. 33 Minnesota*

**LOCAL NO. 2660**

 12

March 28, 1979

Senator Roger Laufenburger, Chairman  
Senate Employment Committee  
State Capitol Building  
St. Paul, Mn. 55103

Dear Sir,

I have been directed by the members of Local 2660, USWA to inform you that we vigorously oppose the appointment of Harry Peterson to the position of Commissioner of Labor and Industry. This man's anti-labor history makes him a poor candidate in the eyes of the working men and women in the Steelworkers organization. We hope you will give our views serious attention and oppose this appointment. Thank you for your consideration.

*William Ranger*

William Ranger, Rec. Sec.  
USWA Local 2660  
Box 777  
Keewatin, Mn. 55753

cc: file, Sens. Bob Lessard, G. Perpich, E. Staples, S. Keefe, J. Klienbaum,  
W. Luther, T. Nelson, J. Nichols, C. Purfeerst, C. Vega, G. Willet,  
O. Bang, N. Brataas, M. Frederick, G. Pillsbury.

4/6  
April 3, 1979

Senator Nancy Brataas  
139 State Office Building  
St. Paul, Minnesota 55155

Dear Senator Brataas:

The members of the Rochester Central Labor Union request that the Senate of the State of Minnesota does not confirm the appointment of Harry Peterson as commissioner of the Department of Labor and Industry.

We wonder how Harry Peterson could have the interests of workers at heart after 15 years as Vice-President of Employment Relations for the Minnesota Association of Commerce and Industry.

Harry Peterson will neither support or oppose the minimum wage increase and we feel he should be supporting this piece of legislation.

Harry Peterson on behalf of M.A.C.I. opposed increases in the minimum wage opposed higher unemployment insurance benefits, opposed private pension protection by the State, and there are many other bills that he opposed that were favorable to labor.

Again, we ask that as Senator from our area you do not confirm his appointment as Commissioner of the Department of Labor and Industry.

Sincerely,

*Ervin Senst*

Ervin Senst, President  
Central Labor Union

# IBEW

## INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

# Local Union 294



2031 SECOND AVENUE EAST - HIBBING, MINNESOTA 55746 - PHONE AC 218 263-6895

March 22, 1979

Ms. E. A. Staples  
235 State Capitol  
St. Paul, MN. 55101

Dear Ms. Staples:

It has been brought to my attention that you are considering Mr. Harry Peterson for the position of Commissioner of Labor for the State of Minnesota. With Mr. Peterson's record as far as labor goes in the State of Minnesota, I am sure you wouldn't have to look very far to improve your selection.

Due to his affiliation with the Minnesota Association of Commerce and Industry and the testimony he has given before legislators on labor sponsored legislation, I do not believe he would be very appropriate to serve labor for the State of Minnesota.

Just a few of the issues that he was against when working for the Minnesota Association of Commerce and Industry are as follows:

- Increases in Minnesota wage laws
- Higher unemployment insurance
- Improvements in Workers Compensation laws
- Private Pension Protection by the state
- Prevailing construction rates for State of Minn.

I am sure you, as one of the legislators on the committee to recommend to our governor a replacement for Mr. Malone can see why labor is very much concerned with the temporary appointment of Mr. Peterson. We in labor believe we should have someone representing us in the Department of Labor and Industry who at least has some knowledge of our problems and has some feeling toward us.

I am sure, as legislators who represent all of the voters in the State of Minnesota, you will come up with a better qualified person than Mr. Peterson.

Sincerely,

*Robt. G. Prout*

Robt. G. Prout,  
Business Manager, Local 294

RP:mb  
opeiu #12



JOSEPH SAMARGIA  
PRESIDENT

LONDI NEARI  
VICE PRESIDENT

LOCAL UNION NO. 1938  
UNITED STEELWORKERS OF AMERICA  
DISTRICT NO. 33  
307 FIRST STREET NORTH  
VIRGINIA, MINNESOTA 55792



DONALD WAVERNACK  
RECORDING SECRETARY

BERNARD HAUTALA  
FINANCIAL SECRETARY

JACK GORNIK  
TREASURER

March 21, 1979

Dear Ms.

On behalf of the members of Local 1938, United Steelworkers of America, I am writing to you in opposition to the appointment of Harry Peterson, as the new Commissioner of the Department of Labor and Industry.

We feel, that with the appointment of Harry Peterson, who for the past 15 years served as a vice president of employment relations for the Minnesota Association of Commerce and Industry (MACI), a group that opposed increases in the minimum wages, opposed higher unemployment insurance benefits, opposed improvements in the worker's compensation law, opposed private pension protection by the state, opposed prevailing construction wages for state financed projects, opposed lower tip credits for employers and opposed the successor bill to protect worker's rights when a collective bargaining agreement existed and ownership of a business changes hands, raises serious doubts as to whether he has the best interests of workers at heart.

We respectfully urge you to oppose the appointment of Harry Peterson as Commissioner of Labor and Industry.

Sincerely,

Donald Wavernack  
Recording Secretary



Dear \_\_\_\_\_

Thank you for your letter expressing  
<sup>misgivings</sup>  
(concern) toward the proposed appointment of  
Harry Peterson for Commissioner of the  
~~Minnesota~~ Department of Labor and Industry.

Due to the amount of public controversy  
~~that~~ surrounding Mr. Peterson's appointment,  
he will not be confirmed during this  
session of the Legislature.

Your concern is <sup>noted and</sup> much appreciated

~~TH~~

Dear \_\_\_\_\_

Thank you for your letter expressing  
<sup>pro-support</sup>  
<sup>con-</sup>concern toward H. F. 916, increasing  
worker's compensation benefits.

~~The~~ The bill is a highly <sup>complex</sup> ~~contested~~  
issue and I <sup>wholely</sup> certainly support effective  
worker's compensation, ~~however~~ <sup>the proposed costs</sup> ~~the costs~~  
are staggering. ~~I shall~~

Currently <sup>over</sup> The House and Senate are  
working toward compromise on the bill  
and I shall keep your support/concern  
in mind

Sincerely,



1767 Fremont Ave S  
Nppls 55403  
May 4, 1979

Senator Emily Staples  
Minnesota Legislature  
235 State Capitol  
St. Paul, Mn. 55155

Dear Senator Staples: Re: SF 654

I wish to thank you very much for sponsoring the RSVP funding authorization bill. I heard your excellent presentation before the HHW Committee, and I am sure hundreds of Senior Citizens owe you much for your leadership.

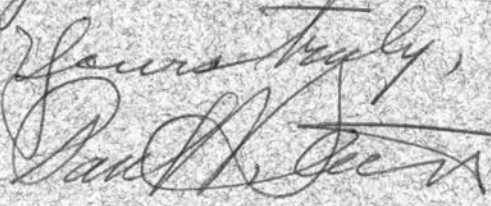
I understand that this bill is now resting in the Finance Committee. I know you are concerned to get it acted upon and reported favorably for further action. I wish you well in getting it moving.

I am on the The Advisory Committee for Hennepin County RSVP and on behalf of over more than 1000 RSVP volunteers.



teers and the many additional ones who could be served by more financing, in Hennepin County and many other parts of the State. I want to report that RSVP is an extremely important part of the lives. It adds dignity to know that one is able to serve and life can be truly meaningful. I am sure, too, that the folks who represent the schools and agencies where RSVP volunteers serve could also speak of the way the community benefits from their work.

Again, my sincere thanks and hearty good wishes.

Yours truly,  
  
(PAUL T. STEEN)



*Group Health Plan, Inc.*

2500 COMO AVENUE, ST. PAUL, MN 55108  
(612) 641-3100

May 9, 1979

Senator Emily A. Staples  
Minnesota State Senate  
235 State Capitol  
St. Paul, Minnesota 55155

Dear Senator Staples:

Attached is a copy of the prepared text that Bert Seidman delivered at the recent annual meeting of Group Health Plan, Inc. I thought that you might be interested in reviewing his remarks, especially as they pertain to profit and nonprofit HMOs.

I know that at the end of the session you don't have time to read documents such as this but I thought that you might file it until the hectic final days of the session are completed.

Sincerely,

Edward J. Dirkswager  
Director of Planning and Marketing

EJD/dm

encl.



Talk on  
Role of Organized Labor in  
Development of Prepaid Group Practice  
by

Bert Seidman  
Director, Department of Social Security, AFL-CIO  
to the  
Annual Meeting of Group Health, Inc.

St. Paul, Minnesota  
April 21, 1979

The AFL-CIO has a very simple policy on HMOs. We are for the rapid growth of effective consumer-controlled or community-controlled HMOs; and that has been our policy for a long, long time.

I am sure you know that what have always been called prepaid group practice plans were re-baptized by the Nixon Administration as health maintenance organizations or, as they have come to be known, HMOs. This was on the advice of your neighbor, Dr. Paul Ellwood of Inter Study.

But when we in the trade union movement talk about HMOs, what we mean is comprehensive, direct service, nonprofit, prepaid group practice plans, plans like your Group Health here in St. Paul, Group Health of Puget Sound and the Group Health I belong to in Washington, D.C., as well as many other PPGPs, new and old, throughout the country. The term "comprehensive, direct service, nonprofit, prepaid group practice plans" is a technically accurate description of what the AFL-CIO has long favored as a better way to pay for and deliver health care but it is also certainly a mouthful. I just want you to know that when we say "HMO" we mean PPGP.

The very term "health maintenance organization" or HMO accurately describes what we want to accomplish -- early diagnosis and treatment of disease and maintenance of health so that serious illness can be reduced or avoided. The best way we know of to accomplish those goals is through comprehensive, direct service, nonprofit, prepaid group practice plans.

The AFL-CIO is not a johnny-come-lately to endorsement of PPGPs or what we now call HMOs. Organized labor has long supported the development of community prepaid group practice plans such as Group Health Association in Washington, D.C., Group Health of Puget Sound in Seattle, the Kaiser Health Plans in California, Hawaii, Oregon, Ohio and Colorado, the Health Insurance Plan of Greater New York (HIP) and, of course, your own Group Health Plan here in St. Paul. In fact, labor has been the organizer, sponsor or main support for community prepaid group practice plans now operating in Cleveland, Detroit, St. Louis, Providence, New Haven, Louisville and other communities across the country.

I understand that a large part of the funds that originally made possible the formation of Group Health Plan here in St. Paul came from trade unions. It is also a source of great satisfaction to know that leaders of organized labor in this area are continuing to give strong support to your organization. I am particularly happy to know that a number of trade union leaders are in this audience today. Their presence here is just one more evidence of the support of the AFL-CIO from President Meany on down for the development and growth of the HMO movement.

The first Constitutional Convention of the AFL-CIO in 1955 adopted a resolution calling for the development of more prepaid group practice plans. In fact, that resolution also called upon Congress to enact a program of Federal aid for the development of prepaid group practice plans. Thus the Health Maintenance Organization Act of 1973, in effect, implemented our 1955 resolution. The development of more prepaid group practice plans has been a cornerstone of AFL-CIO policy in the health care field ever since.

The AFL-CIO favors dual choice. We fought hard and successfully to change the original HMO Act of 1973 to recognize the right of the union, as the legal representative of its membership, to decide whether an HMO may be offered as an alternative to the traditional health benefits package. That is why the HMO Amendments of 1975 guarantee that the option of an employee to join an HMO as an alternative form of health delivery must be subject to the collective bargaining process. But the AFL-CIO urges affiliates to make sure, in the framework of that collective bargaining process, to give their members the opportunity to join an HMO and then to give them every encouragement to do just that by informing them of the advantages of HMOs over fee-for-service medical care.

More than a decade ago the AFL-CIO Convention adopted a resolution calling upon all AFL-CIO affiliates to include "dual choice" in their collective bargaining or health insurance contracts. Since then, the Steelworkers, the Communication Workers, the Rubber Workers and the International Union of Electrical Workers have incorporated dual choice in national agreements. Many jointly administered labor-management health and welfare trusts have made the option of a prepaid group practice plan available to their members. Thus, the HMO law only mandates that the employer offer what has been a collective bargaining goal of many of our affiliates for many years. We have long favored dual choice because we have recognized that the most effective way to start new group health plans is with those members who have come to recognize the advantages of an organized system for delivering health care.

But the fundamental question is why does the AFL-CIO favor HMOs? We favor the development of HMOs because group practice provides a better

quality of medical care than solo practice, and group practice, in combination with prepayment, controls costs better than fee-for-service.

It would be indeed naive to assume that every HMO, now existing or to be developed, is necessarily good. In fact, some so-called HMOs in California and particularly in Los Angeles got started in recent years which neither labor nor management should want to touch with a ten foot pole. Whether to participate in an HMO should, therefore, be a joint decision of labor and management through the collective bargaining process.

You who are Group Health members don't need to be told that prepaid group practice plans can and do provide preventive care, physical examinations, early diagnosis and prompt treatment -- in fact, virtually every kind of care needed to maintain the health of their members or cure them as quickly as possible when they do become sick. That is why PPGP members have to be hospitalized only about half as often as the rest of the population. Of course, this cuts down on costs since hospital care is the most expensive medical care available. But, even more important, it cuts down on the unnecessary suffering patients must undergo when their illness is untreated until it reaches an acute stage that requires hospitalization.

When we are members of PPGPs we are not just confident of getting the care we do need when we need it. We are also confident that we won't get unneeded medical care such as unneeded and costly hospitalization or surgery. That is because in PPGPs, the plan is paid a flat amount for each person they care for regardless of how few or how many health services that person needs. So there is an incentive to keep their members well and when they do become sick, to give them the services they need to restore their health. But, as you know all too well or you wouldn't be Group Health



members, under fee-for-service, the sicker you are the more the doctor makes. So it is understandable that fee-for-service physicians have somewhat less than unbounded enthusiasm for preventive care.

You know, fee-for-service is a piecework system of paying doctors. We in the labor movement have known for a long time that piecework was invented as an incentive to encourage the production of more pieces. In fact, piecework payment seems to have as powerful an incentive in medical care as it does in manufacturing. Under fee-for-service doctors have every incentive to give the patient as many billable services as possible -- needed as well as unneeded.

But you and I as Group Health members are not just unlikely to get unneeded medical care. The care we do get is better because in group practice, physicians pool their skills for the benefit of patients and work in a cooperative rather than a competitive setting. Group Health doctors can readily consult with their colleagues, and the course of treatment for difficult and serious cases is determined in consultation with the relevant specialists.

The kind of professional environment which PPGPs like yours and mine offers to physicians attracts members of the medical profession who are dedicated primarily to giving the best possible service rather than obtaining the highest possible income. The best of them, recognizing that they can make the greatest contribution in their chosen profession in a Group Health Plan, tend to give Group Health members many long years of dedicated service. So I want to pay tribute today to the doctors, nurses and all the other fine members of your health care team who for more than two decades have devoted themselves to giving the best possible care to the members of Group Health.



It is because of their dedicated efforts that quality of care has been a hallmark of Group Health ever since its inception.

Of course, quality of care, important as it is, might not be enough to convince union members of the desirability of joining a HMO. Most people make judgments on the basis of dollars and cents -- whether it is the family's groceries, a used car, or medical service. So it's important for HMOs to keep their premiums as low as they can. It's also important in their approach to workers to get across the point that when both premiums and out-of-pocket expenses are taken into account, membership in an HMO is always a better buy than coverage under the Blues or commercial insurance.

Now I come to what may be most important to workers -- the role they can play as consumers of medical care when they are members of a PPGP. While as consumers, we don't know much about clinical medicine, we do have a legitimate interest in having a voice as to how, when and where medical services are provided. We want to know whether there are long waits to see a doctor, whether patients are treated with appropriate respect, whether arrangements are made for them to understand alternative methods of treatment and associated risks, and what procedures are made for adequate follow-up treatment.

If anything, in our increasingly consumerist society, the concerns of HMO members as consumers may be stronger today than ever before. Those can only be met in PPGPs like yours and mine.

Now there is another type of HMO that has been given an aura of legitimacy under the Federal HMO legislation -- the so-called "independent practice association" or IPAs. IPAs do provide for prepayment on a per member basis. But that is their only resemblance to PPGPs because they are organizations where most of the doctors are in solo practice and all of them

are paid on a fee-for-service basis. Thus they are vastly inferior to genuine PPGPs like yours and their record shows it.

In fact, IPAs, even in comparison with fee-for-service under traditional insurance arrangements, are of benefit to consumers only when there is a strong and flourishing competing prepaid group practice yardstick in the same area. IPAs standing alone are no meaningful alternative to fee-for-service. It is foolish to expect to cure the ills of the fee-for-service system through reliance on the fee-for-service system.

That is why we in the labor movement have a strong preference for prepaid group practice plans over IPAs. But not all prepaid group practice plans are alike. The AFL-CIO has long favored development of consumer-controlled community-based prepaid group practice plans like your Group Health Plan.

But consumer-controlled plans won't succeed unless they have strong managements to carry out on a day-to-day basis the overall policies set by the consumer-controlled boards. The lines must be clear. Consumer bodies establish the guidelines but management must have the responsibility for administration. Only chaos and even disaster can be expected if the policy-making bodies do not recognize this demarcation and try to usurp management functions. No less important, the members of these policy-making bodies must recognize that only the doctors and the other health service personnel can provide the quality health care only HMOs can offer so their prerogatives and status must be fully protected.

This is all the more important because we've got a whole new ball game and it looks like we are beginning to be on the winning side. Sometimes we have a tendency to be our own worst enemies. We can't afford that now.

Only eight years ago, there were only 33 HMOs in the entire country. Today there are 211 serving nearly 8 million Americans. Despite the starting up of seven other HMOs in the Twin Cities area, probably more than in any other area, Group Health, which had only 36,000 members in 1970, now has more than three times as many and is still enjoying a rapid growth. The prospects for a significant expansion of HMOs throughout the land is brighter than it has ever been before.

Trade unionists all over the country are getting more and more involved in promoting the development and growth of HMOs. I find now wherever I go union people coming up to me to tell me that they are on the board or working in some other way with an HMO in their community.

I am happy to be able to report to you that Howard Viet, the dynamic director of the Office of HMOs in HEW, has recently taken on as a consultant William Kircher who will be working with union groups and HMOs all over the country to promote labor participation in HMOs. I don't know of anyone in the country who is better qualified than Bill Kircher to do that job. He has held many important posts in the trade union movement including Director of Organization of the AFL-CIO. He knows the key union people in every international union and in every local area and state and he knows how trade unions operate. He is enthusiastic about promoting labor participation in HMOs and I am confident he will do an outstanding job.

I want to tell you briefly about another development which has a promising potential for enhancing union commitment and the participation of union members and their families in HMOs. Recently the presidents of six mid-Western State AFL-CIOs, including President Dave Roe of the Minnesota AFL-CIO, have organized the AFL-CIO Great Lakes Regional Council with the purpose

of building a bridge between workers and unions, on the one hand, and various government programs on the other. The states are Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin. There are nearly 6,400 local unions in these states representing almost 2½ million AFL-CIO members.

As their first effort, they are trying to work out arrangements with HEW to develop a project to promote and assist HMO development. Their aim would be to help to organize new HMOs and to expand existing ones. They are convinced that labor organizations, especially at the local level, offer community-based structures to foster the development of new HMOs where they do not exist. In areas where HMOs are already operating, labor know-how and clout can help to spark membership growth.

A major reason why we in the labor movement want to encourage rapid expansion of HMOs is because we want them to be the centerpiece of the universal and comprehensive national health insurance program the AFL-CIO is supporting. The AFL-CIO has been saying for a number of years that we expect HMOs to grow and flourish under national health insurance. One reason we have insisted that the national health insurance program should be comprehensive and universal is that we have seen how trade union families and other members of HMOs have benefited from the comprehensive services HMOs offer. We have insisted that the national health insurance program must contain incentives for people to join HMOs and specific provisions aimed at assuring that HMOs can do even better in the future what they have always done -- provide comprehensive care at the lowest possible cost consistent with high quality.

You know, there are all kinds of national health proposals floating



around. The AFL-CIO has enthusiastically endorsed the new revised Kennedy national health insurance program, the Health Care for All Americans Act. The bill would result in a multifold expansion of HMOs because the new program emphasizes prevention and early diagnosis and treatment of disease by providing the financing for outpatient care without deductibles and other forms of co-payment. Thus, the program would finance virtually the whole range of care HMOs have traditionally offered. For the first time, they could provide care for all Americans -- old or young, black or white, rich or poor.

Preventive care, prompt attention to symptoms, early diagnosis and treatment reduce costly hospitalization and acute illness and therefore save money. For this reason, full coverage for outpatient services without cost sharing, such as HMOs provide, would make them highly competitive in the medical market place in comparison with traditional fee-for-service medicine.

The proposal would also establish a health resources development fund to help operating HMOs to expand and to start new ones.

Then there is the Carter Administration's piecemeal approach to national health insurance, without a specific timetable for implementation, which we are convinced would be legislatively impossible of achievement. The Administration's recently announced Phase I appears so meager and fragmented that it would not bring improved health care to most of the American people. The inherent danger in the Administration's approach is that a piecemeal, misdirected first step would be a roadblock to achieving a truly comprehensive national health plan.

There is just one way to make adequate health care at reasonable cost a right of every American -- early enactment and the quickest possible implementation of universal comprehensive national health insurance.



You who are members of HMOs, perhaps more than any other concerned group, should be fighting for national health insurance -- for universal comprehensive national health insurance. If you do, you will find the labor movement side by side with you because we in the labor movement are firmly convinced that under the coming national health program, HMOs will serve more and more Americans in communities all across the land.

Personal touch (PT)  
Correspondence ?

Capitol Building  
Pierre, South Dakota 57501  
~~605/224-3011~~ Senate 773-3821

COMMITTEES  
Joint Appropriations  
Health and Welfare



Senator "Peg" Lamont  
STATE OF SOUTH DAKOTA



"Meadowlark," Route 1  
Aberdeen, South Dakota 57401  
605/225-8942

Lamont Office, Midwest Bldg.  
Aberdeen, South Dakota 57401  
605/225-1712

February 25, 1979

Sen. Emily Ann Staples  
Minnesota State Legislature  
St. Paul, Minnesota

Dear Emily Ann:

It was wonderful to see you and to have a bit of time to talk and to renew our friendship which has had a marvelous link through Status of Women on the national level, through the National Trust, and now through the Task force on the Arts.

I am enclosing the slide which I took of you at the Indian American Arts Center (IAAC) in Santa Fe. I should really get prints, but if I wait, I will forget and you will never get this. I am home for the weekend and have just received the slides I took. I went directly back to the legislature that day, as you did also, and faced a vote and a full calendar less than fifteen minutes after I got off the plane in Pierre.

The next day we faced the ERA vote which passed by one vote in the Senate, and has now failed by one vote in House State Affairs, and will soon be "smoked out" with an attempt to break the "not" in the "do not pass" motion in the House. I am afraid this will succeed, and I know the vote will be close. The rationale and tenor of those who supported rescission was alarming and fanatic to say the least and extremely emotional.

Our Death Penalty bill passed both houses and goes to the Governor, but in each house, it passed only by one vote so he may veto. It returns the death penalty.

I have an old typewriter at home and can't seem to type accurately tonight, because I'm too tired. The grind has been terrific.

Wednesday, Feb 14, after my return from Santa Fe we entertained Jimmy Biddle. All of South Dakota was shrouded in fog, so planes chartered from Sioux Falls could not get to Pierre, but we had historic enthusiasts from all four corners of the state, and 52 towns represented when I had them introduced. At least we raised consciousness. I am sure it was a grind for him, but beneficial for us. We had a short tour of our Capitol, the state museum, the luncheon and he caught the 2:13 plane to Mpls and Milwaukee where he spoke that night.

Our weather has been incredibly bad--mountains of snow in Aberdeen and cold and lots of icy roads. I have been flying charter with other legislators recently to avoid driving 167 miles of awful ice and drifting and ground blizzarding.

My Percent for Art bill is in perilous situation. I cut to  $\frac{1}{2}$  percent

in Senate State Affairs committee, then added "boiler plate" language permitting the State Arts Committee and Building Commission to accept federal grants gifts etc which was not specified for state construction. This was the suggestion of the committee. Now they want me to strike the half percent and let it go with only permissive legislation that state construction is authorized to accept gifts grants etc. for permanent art.

This is a vehicle without wheels and then some. I am wary that they may be saving the title for some nefarious scheme to amend on some other bill in the construction area because I got an unanimous do pass on this miserable remainder of my bill. If anything passes it will be a miracle and I only hope it isn't "hoghoused" with some other amendment not particularly germane but accepted by the body.

Otherwise my legislation is going fine with 3 bills already signed by the Gov. and four more of my own prime sponsored bills have passed both houses now--most of them health and welfare oriented.

Best wishes, Happy Easter and good legislating !

PEG

*Peg*

*Thanks for the post card of the U.S. Capitol !*

Glass House  
Ihlen, Minnesota 56140  
Phone: 348-7651  
Russ & Evelyn Harmsen, Prop.



(Attn) Senator Emily Staples  
State Capitol  
St. Paul, Minnesota  
55155



5-2-79

Senator Emily Staples;

Mam,

Going through our Action Memo of the  
N. F. I. B. am interested in your bill being  
introduced (Senator File 787) about Small  
business assistance Center -

As we have a business Site Club. consisting  
of Food + Liquor - our net is really down the  
drain because of inflation prices - we have  
a total of 18 Employees - part time and full  
time. D Room open 6 times a week - Bar 7.  
A lot of work being done between my husband  
and myself. We have incorporated a year ago  
Jan 1 - What we would like to have  
is someone sit down with us. So we  
could explain our menu's - Labor costs - food  
costs etc. - to see if we can cut corners  
somewhere - To stay on our feet over please

we are in the country 7 miles So. of  
Pipestone on Hi-way 23. 4 miles  
North of Jasper. on Hi-way 23.

City of Ihlen Minn 56140

population about 130 people.

Your suggestions would be helpful

The Glass House Inc.

Ihlen Minn. 56140

Russ & Evelyn Haarnsen  
Owners -

DAVE DURENBERGER  
MINNESOTA

## United States Senate

WASHINGTON, D.C. 20510

April 16, 1979

The Honorable Emily Staples  
State Senator  
235 Capitol Building  
St. Paul, Minnesota 55155

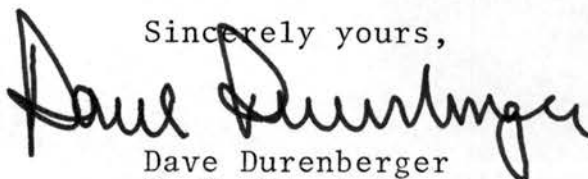
Dear Emily Ann,

Thanks for visiting with George Thiss on health issues. I agree with you on your analysis on the various cost containment proposals.

I couldn't believe my ears one day last week when, having introduced some comment on the value of HMOs, I heard Subcommittee Chairman Talmadge refer to HMOs as: "those are the outfits the mafia has taken over, aren't they?" He's lucky I didn't make the Ethics Committee.

Please swallow whatever you can and try to be helpful to Judy Anderson and the Park Reserve District.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Dave Durenberger". The signature is fluid and cursive, with a large, stylized "D" at the beginning.

Dave Durenberger  
U. S. Senator

DD:hm

PCS  
MRS. SIDNEY VAN ANTWERP  
1703 HUNTER AVENUE  
MOBILE, ALABAMA  
36604

April 22, 1979

Dear Emig Ann,

Strange we should  
have such a similar name  
and so far apart geographically!  
I am a friend of Honey Holmes  
and Jimmie Lee who as you  
know are on the Board of  
Advisors to the National Trust.  
I saw your name in Preservation  
News and thought I would write  
you a note. I hope to attend  
the October 3<sup>rd</sup> meeting in San  
Francisco and I hope to meet  
you there.

Cordially yours  
Emig Peoples Van Antwerp



# ALABAMA HISTORICAL COMMISSION

*Stapler*

EMILY S. VAN ANTWERP  
SECRETARY  
437-1512

1703 HUNTER AVENUE  
MOBILE, ALABAMA  
36604





MIDWEST HEALTH  
CENTER  
FOR  
WOMEN

...a non profit organization

May 9, 1979

Dear Sen. Staples,

Rene thought you'd like to see our new brochure for the "Two Together" program. "Two Together" and "Parents As Sex Educators" were funded under your family planning bill. Unfortunately, the funds remain in escrow.

We remain hopeful, however, and do want to thank you for all of the hard work you've done for family planning.

Sincerely,  
Shawne Fitzgerald

In addition to TWO  
TOGETHER, the Midwest  
Health Center for Women  
offers educational  
programs and community  
outreach:

Parents As Sex Educators

"For Men Only"

Family Planning Updates

Sexuality: For Men, For Women

Issues in Adolescent Sexuality

**Prepare Today's Youth  
For Tomorrow's  
Family**



**M**idwest HEALTH CENTER FOR WOMEN  
METROPOLITAN MEDICAL OFFICE BLDG.  
825 South 8th Street, Suite 902  
Minneapolis, Minnesota 55404



**TWO  
TOGETHER:  
DOING IT,  
FEELING IT,  
SHARING IT**

A health and sex education outreach program for  
young men and women offered by the Midwest Health  
Center for Women.

**TWO TOGETHER** is a series in four parts designed to explore developing sexuality. It is co-led by qualified male and female health educators.

#### SESSION I **GROWING UP MALE/ GROWING UP FEMALE**

Participants will explore the socialization process of adolescent men and women. How do myths and stereotypes affect who we are? Can we recognize these in ourselves and understand what it's like for the opposite sex?

#### SESSION II **SEXUAL DECISION MAKING: EXERCISING OPTIONS**

Participants work toward developing a comfortable self concept. What are their options? How is pressure from parents, peers and society handled?

#### SESSION III **THE RESPONSIBILITY OF TWO TOGETHER**

Participants will understand the social and health responsibilities involved with being in a sexual relationship. What does sexual responsibility mean: not getting pregnant? not passing on VD? being able to say no?

#### SESSION IV **PARENTING AND NON- PARENTING**

Participants explore their present attitudes and their own readiness towards pregnancy and parenthood. What if pregnancy occurs? What are the options? How will this affect life goals?

## TARGET GROUP

TWO TOGETHER was designed for young men and women residing in group homes and halfway houses as well as for youth in community center programs and alternative schools.

## METHODS

Primary methods are small group discussions with emphasis on participatory activities, both verbal and written. Selected audio/visuals stimulate discussion and further involve the young people. Evaluation tools help assess attitudes and knowledge. Community resources available to suit client needs are discussed.

## FORMAT

Each session lasts approximately two hours. The program is flexible; we can alter the series to meet your agency's needs.



## FOR MORE INFORMATION

- about costs
- about program format
- about how TWO TOGETHER could become a part of your agency's sex education efforts ...

**Call Janet**

**Wettlaufer or  
Renee Ward at**

**(612) 332-2311**

## HERE'S WHAT THE TEENS SAY ...



"I have never used birth control, but now I've changed my mind and will be more responsible. I was lucky not to get pregnant."

**18 year old**

"My boyfriend pressured me into having sex. I'm not satisfied with my decision and have changed my mind. Next time I do have sex it's going to be for a good reason."

**17 year old**



"I used to think that using birth control wasn't cool, but now I know better."

**16 year old**

"I enjoyed it and learned more with them than in any other sex seminar or classes. I'm glad they came and taught and answered questions. Thanx."

**16 year old**



## AND AGENCY STAFF ...

"I can't help but think your program provides an invaluable service to our community. We were very lucky to have you share your knowledge with us."

**Group Home for Chemically Dependent Youth**

"We particularly appreciated your approach — didactic as well as experiential — in that you took the time to explain as well as seek out the residents and asked them for their input. I'm sure that's partly why they always looked forward to your coming and then talked about what they had learned at great lengths afterwards. I know that you made a deep impression..."

**Chemical Dependency Halfway House**

Harry  
Petersen  
letters

Senator Staples,

Dennis Chada from the Pipefitters  
776-7632 called. They are  
strongly opposed to the  
confirmation of Harry  
Peterson. If you want detailed  
reasons please call. Janet  
3-27-79



Divine Providence Community Home

794-3011

Sleepy Eye, Minnesota 56085

April 20, 1979

Senator Ann Staples  
State Capitol  
St. Paul, Minn. 55103

Dear Senator:

Re: The Certificate of Need Bill  
S.F. 477/HF 260

We object to the above bill as it was amended in the Senate Health Welfare and Corrections Committee on Tuesday April 3rd because it would give a clear preference to hospitals that wish to convert beds to long term care.

We believe that it will increase costs of maintaining long term care patients and will not increase quality of care because social and emotional care through activity programs, recreation, etc. are not carried on in hospital units.

This bill will also cause an over-abundance of long term care beds and this will increase costs over the long run.

We trust you will not vote in favor of this bill.

Sincerely yours,

DIVINE PROVIDENCE COMMUNITY HOME

Sister Teresa Franzella  
Adm.



# Senate Majority Research

ROOM 24G      STATE CAPITOL      ST. PAUL, MN. 55155  
(612) 296-4949

ROOM 446      STATE OFFICE BUILDING      ST. PAUL, MN. 55155  
(612) 296-4113

March 20, 1979

TO:            Senator Sikorski

FROM:        Greg Failor

SUBJECT:     Tax Relief

Per your request I have compiled data on appropriations made by the Legislature for tax relief purposes during the 1973-75 biennium, 1975-77 biennium and the current biennium.

The information enclosed for your review represents funds which, directly or indirectly, provide property tax relief.

A detailed examination of other tax relief measures will be forwarded to you in the near future.

If you have any questions, comments, or criticisms please call me at 296-0165.

GF/olp  
Enclosure

**GERRY SIKORSKI**

Senator 51st District  
Washington County  
Rural Route 2  
Stillwater, Minnesota 55082  
and  
G-24 State Capitol Building  
St. Paul, Minnesota 55155  
Phone: 296-4700

**Senate**  

---

**State of Minnesota**

Dear Senator:

Thought the enclosed might be of interest and helpful in your files as the issue of taxes, and what the DFL has done on taxes, continues.

Warmest regards,



GERRY SIKORSKI

## I. 1973-75 Biennium

Property tax relief, shared taxes, and aids to local units of government totalled \$2,708,221,584 for the 1973-75 biennium.

Property tax relief items amounted to \$897,241,000. Shared taxes totalled \$42,759,310. School aids came to \$1,301,268,384. Other forms of aid added to \$466,958,890.

### TAX RELIEF

\$293,900,000 was provided from the general fund for payment of a portion of the real property taxes levied against homeowners (homestead credit). Payment of teachers' pensions and state debt charges formerly financed by a state property tax cost \$229,995,000.

The local government aid program provided \$255,925,000 in per capita aids to taxing districts other than school districts during the 1973-75 biennium.

The 8.3 mill agricultural land tax differential aid to school districts was \$27,000,000.

Tax relief to persons 65 years old and over amounted to \$24,541,000. Renters received \$44,280,000 in property tax relief. Property tax relief for disabled persons totalled \$1,200,000.

Personal property tax reimbursements to local taxing districts was \$20,400,000 - \$10,000,000 for the remainder of class 3 personal property items exempted by the 1971 Legislature; and \$10,400,000 for attached machinery and associated items exempted by the 1973 Legislature.

### SHARED TAXES

For the 1973-75 biennium the total of shared taxes amounted to \$42,759,310.

Local governments received \$3,923,000 from the cigarette tax; \$3,100,000 from the bank excise tax; \$3,152,000 from liquor taxes; \$17,010,000 from taconite occupation and production taxes; \$6,120,000 from inheritance taxes; and \$3,948,000 from gross earnings taxes. Other shared taxes in the sum of \$5,506,310 make up the balance.

### OTHER STATE AIDS

Other state aids to local governments during the 1973-75 biennium amounted to \$1,768,208,544.



\$1,301,268,384 was allotted for elementary and secondary education, vocational education, and construction.

Grants-in-aid of \$2,435,788 for the school lunch program, \$951,787 for vocational rehabilitation, \$3,143,180 for community library services, \$4,716,000 for medical education, \$610,000 for community school programs, and \$100,000 for the Southwest and West Central Educational Service Area together totalled \$11,956,755.

Counties received \$195,600,000 from the state to assist in financing public assistance programs. In addition, the state assumed 50 percent of the county general assistance program at a cost of \$10,700,000, and 50 percent of the administrative costs of county public assistance programs at a cost of \$12,000,000.

State grants of \$10,700,000 for community mental health centers; \$3,650,000 for daytime activity centers for the mentally retarded; \$4,497,900 for county aid for mentally retarded and emotionally disturbed children; \$2,150,000 for equalization aid; \$1,506,000 for support of children under guardianship; \$300,000 for economic opportunity programs; \$1,400,000 for county reimbursement of probation services; \$1,000,000 for foster group care; \$1,500,000 for the Corrections Subsidy Act, \$800,000 for child care services grant; \$877,000 for Indian relief; \$50,000 for community residential facilities for the mentally retarded; \$425,000 for community corrections centers; \$550,000 for regional jails, lock-ups and detention centers; and \$2,925,000 for community grants under the alcohol and drug abuse program, raise the total welfare and corrections grants-in-aid to \$250,630,900.

Counties, cities and villages received \$168,892,056 for constructing and maintaining highways and streets. County state-aid roads received \$128,465,765, and municipal state-aid streets \$40,426,291.

Grants-in-aid of \$6,000,000 for regional recreational and natural areas; \$2,750,000 for the acquisition, long-term lease and development of recreational projects; \$6,140,080 for local airports; \$495,500 to cities, counties and towns having a large portion of gross earnings tax; \$12,730 to the City of Staples as supplemental gross earnings aid; \$15,875,000 for firemans' and policemen's relief and pensions; \$650,632 for sheriffs' teletype operations; \$209,000 for enforcement of laws relating to snowmobiles and for construction of snowmobile trails; \$1,500,000 for the reduction, reuse and recycling of solid waste; and \$600,000 for reimbursements to local governments for expenses of peace officers receiving state training from the Minnesota Peace Officers Training Board, together total \$34,232,942 for the 1973-75 biennium.

All other grants, including those to county and district agricultural societies, to conservation areas, and state aids for local air warning systems, amounted to \$1,240,237.



## II. 1975-77 Biennium

Property tax relief shared taxes, and aids to local units of government amounted to \$3,749,389,639 for the 1975-77 biennium, which accounted for 61% of total state disbursements.

Tax relief items amounted to \$1,313,766,151. Shared taxes were \$75,061,103 for the biennium. Other grants and aids to local government, including school aids, totalled \$2,360,562,385.

### Tax Relief

\$425,000,000 was provided from the general fund for payment of a portion of the real property taxes levied against homeowners (homestead credit). The "circuit-breaker" tax credit amounted to \$192,400,000 during the biennium.

The local government aid program provided \$306,800,000 in per capita aids to taxing districts other than school districts during the biennium.

Agricultural land tax differential aid was \$43,894,817.

Payment of teachers' pensions and state debt charges formerly financed by a state property tax levy amounted to \$362,603,601.

Personal property tax reimbursement to local taxing districts to cover attached machinery and associated items exempted by the 1973 Legislature was \$11,669,236.

### Shared Taxes

Total shared taxes were \$75,061,103 during the biennium. From inheritance taxes, local governments received \$6,220,000 and from taconite occupation and production taxes \$68,841,103.

### Other State Aids

Other grants-in-aid to local governments for the 1975-77 biennium were \$2,360,562,385.

\$1,589,852,200 was allotted for elementary and secondary education, foundation aid, transportation aid, vocational aid and other aid to school districts. Earnings of the permanent school fund of \$28,240,000 were also distributed to public school districts.

Educational grants-in-aid of \$2,983,996 for the school lunch program; \$2,500,000 for the long-term sheltered workshops; \$3,857,708 for community library services, \$3,280,000 for the state's share for cost of treatment of county indigent patients at University Hospitals; \$3,925,600 for special education; \$296,425 for adult education; \$300,000 for emer-

gency aid, \$50,000 for Southeast Asian student aid, \$191,442 in additional gross earnings aid, \$90,000 for career study centers program, \$499,950 for educational cooperative service units, \$100,000 for learning disabled and retarded pupils; and \$60,000 for curriculum planning grants together amounted to \$18,135,121.

To assist counties in financing the public assistance programs, the state provided \$326,700,000 during the biennium. In addition, state welfare grants of \$14,157,625 for community health centers; \$13,637,900 for daytime activity centers for the mentally retarded; \$8,479,300 for county aid for mentally retarded and emotionally disturbed children; \$5,638,500 for equalization aid; \$21,000,000 for county administrative costs reimbursement; \$1,799,500 for day care services development and funding; \$10,288,000 for community residential facilities for the mentally retarded, the chemically dependent, and the mentally ill; \$12,600,000 for general assistance; \$1,200,000 for community action programs; \$900,000 for human services boards; \$5,958,000 for alcohol and drug abuse programs and \$3,050,000 for community health treatment and service grants together totalled \$425,408,825.

Grants-in-aid of \$1,540,000 for county reimbursement of probation services; \$800,000 for foster group care; \$7,369,900 for the Correction Subsidy Act; \$425,000 for community corrections centers; and \$562,600 for regional jails, lock-ups, and detention centers brings the total of corrections grants-in-aid for the 1975-77 biennium to \$10,697,500.

Counties and cities received \$232,800,000 for highway and local street repair during the 1975-77 biennium.

Grants-in-aid of \$4,000,000 for regional recreational and natural areas; \$4,000,000 for local recreational and natural areas; \$2,500,000 for land use planning; \$1,310,000 for recreational trails; \$390,000 for recreational trails-law enforcement; \$900,000 for dam repair, floodwater retention structures, and lake and stream improvements; \$700,000 for enforcement of natural resources law; \$139,600 to the cities of Grand Meadow and Anoka for dam repair and construction; \$616,000 for the reduction, reuse and recycling of solid waste; \$1,050,000 to soil and water conservation districts and for a demonstration project of erosion control; \$225,000 for real estate taxes (DNR) and \$60,000 for environmental permits together totalled \$15,890,600.

Grants-in-aid for local airports amounted to \$10,723,995 for the 1975-77 biennium.

All other grants, including \$14,683,851 for firemens' relief and pensions; \$700,000 for reimbursement to local governments for expenses of peace officers receiving state training from the Peace Officers Training Board; \$2,519,293 for the sheriffs' teletype communications network; \$2,062,000

for regional and local assistance provided by the State Planning Agency; \$800,000 for voter registration; \$2,020,000 for Veterans relief payments; \$700,000 for criminal justice projects; \$350,000 for tourist development; \$500,000 to the City of St. Paul for land acquisition; \$570,000 for restoration of major historical structures; \$60,000 for air warning signals; \$24,000 to counties having large non-tax areas; \$240,000 for Bicentennial projects; \$75,000 for local government training; and \$3,500,000 for aid to police departments together amounted to \$28,804,144.

### III. 1977-79 Biennium

Property tax relief, shared taxes and aids to local units of government account for \$4,635,014,830 or 61.6 percent of total state disbursements, exclusive of federal funds, for the current biennium.

Tax relief items amount to \$1,690,983,897. Shared taxes total \$124,815,898. Educational aids and other forms of aid to local units of government add up to \$2,819,215,035.

#### Tax Relief

\$462,479,947 from the general fund has been calculated for payment of a portion of the real property taxes levied against homeowners (homestead credit).

Additional relief of \$361,700,000 will be granted to homeowners, renters, senior citizens and the disabled.

The local government aid program will provide \$382,918,630 in aid to taxing districts, other than school districts, during the biennium.

Agricultural land tax differential aid will be \$63,001,557 for the current biennium.

Payment of teachers' pensions and state debit charges formerly financed by a state property tax is estimated at \$400,551,040.

Personal property tax reimbursement to local taxing districts to cover attached machinery and associated items exempted by the 1973 Legislature is estimated at \$20,332,723.

#### Shared Taxes

The total of shared taxes for the 1977-79 biennium is estimated at \$124,815,898. From inheritance taxes local governments will receive \$5,790,000; from the taconite tax on railroads \$1,278,479; and from the production tax on taconite \$117,747,419.

#### Other State Aids

Other grants-in-aid to local units of government for the 1977-79 biennium add up to \$2,819,215,035.

\$1,800,613,380 is earmarked for elementary and secondary education, foundation aid, transportation aid, vocational aid, and other aids to school districts.



Educational grants-in-aids of \$6,939,929 for the school lunch program; \$4,700,000 for community library services; \$25,900 for substitutes for teachers assisting the board of teaching; \$410,000 for payments to school districts for pre-school screening programs and \$4,000,000 for the state's share for the cost of treatment of county indigent patients at University Hospitals together amount to \$16,075,829.

To assist counties in financing public and general assistance programs the state will provide \$518,464,994 during the current biennium.

In addition, state welfare grants of \$33,230,409 for community health centers; \$16,646,388 for Developmental Achievement Centers (daytime activity centers for the mentally retarded); \$9,452,844 for county aid for mentally retarded and emotionally disturbed children; \$24,284,700 for county administrative cost aids; \$2,217,420 for day care services development; \$11,494,894 for residential facilities for the mentally retarded, the chemically dependent, and the mentally ill; \$2,400,000 for community action programs; \$300,000 to be expended in Ramsey, Washington, and Dakota Counties for the cost of care of mentally ill persons who were in-patients of Hastings State Hospital who may be placed in county facilities as a result of the closing of Hastings State Hospital and \$6,000,000 for special county aids (equalization aid, general relief for Indians, children under state guardianship, and the Red Lake Band of Chippewa Indians) brings the total welfare grants-in-aid to \$624,491,649.

Grants-in-aid of \$2,778,564 for county reimbursement of probation services; \$830,000 for foster group care and community corrections centers; \$13,637,418 for the Community Corrections Act and \$350,000 for the Hennepin County Corrections Facility brings the total of corrections grants-in-aid to \$17,595,982.

The legislature also provided \$16,958,000 for Community Health Subsidy payments.

Counties and cities will receive \$212,064,600 from the Highway User Distribution Fund for highway and local street repair.

The bicycle trail program received \$890,000 from the general fund for development and grants. \$21,000,000 was provided for Public Transit grants and \$15,942,958 was appropriated from the State Airports Fund for grants and navigational aids.

Grants-in-aid of \$4,000,000 for regional recreational and natural areas; \$4,000,000 for local recreational and



natural areas; \$225,000 to the cities of Knife River, Lake Billesby and Pine Lawn Park for dam repair; \$202,000 for an environmental conservation library; \$459,334 for flood plain management; \$1,316,345 for lake improvement; \$27,000,000 for the shade tree disease control program; \$850,000 for soil and water conservation districts; and \$3,151,800 for other soil and water projects together total \$41,204,479.

All other grants total \$52,378,158 and include: \$33,001,000 for firemens' and policemen's relief and pensions; \$650,000 for criminal justice projects; \$3,914,000 for regional and local assistance provided by the State Planning Agency; \$230,000 for critical areas planning; \$300,000 for human services planning; \$700,000 for reimbursement to local governments for expenses of peace officers receiving state training from the Peace Officers Training Board; \$350,000 for automobile recycling; \$450,000 for investigating criminal activity; \$23,158 reimbursement for a hotel fire at Breckenridge; \$30,000 for air warning signals; \$12,350,000 for state assumption of the salary costs of municipal judges; \$200,000 for the "911" emergency telephone services; \$40,000 for miscellaneous revenue payment; and \$140,000 for payments in lieu of taxes on lands in Voyageurs National Park and in St. Croix Wild River State Park.



## federal package corporation

a unit of lydall, inc.

July 14, 1978

3401 nevada avenue north  
minneapolis, minnesota 55427  
(612) 533-1631  
twx 29-0453

*Clip Fri night's Star Ed.*

Senator Emily Staples  
Room 246  
State Capitol Building  
St. Paul, Mn. 55101

Dear Senator Staples:

Enclosed is an article from the July 1978 issue.

Your stand on the successor bill and your vote on terminating the employer excise tax was very encouraging.

Realizing your statement is somewhat ambiguous, it is still difficult to understand how it can be stated that the business climate is in better shape than many critics claim.

Some specific explanation would be greatly appreciated.

I am involved in different civic organizations, listen a lot, and am coming to the conclusion that if some tax and relief from organized labor isn't forthcoming, more businesses will be leaving Minnesota.

The list does not include Herters of Waseca and an Electronic assembly division of Minnesota Mining that moved from St. Paul to Weatherford, Oklahoma.

The list of corporations moving should tell us that something is wrong.

Very truly yours,

Harry Schaffran  
Vice President &  
General Manager

HS:lb

enc.



**ELECTRO / GENERAL CORPORATION**

14960 MINNETONKA INDUSTRIAL ROAD  
MINNETONKA, MINNESOTA 55343  
PHONE: 612-935-7704

March 26, 1979

Sen. Emily Staples  
Minnesota State Capital  
St. Paul, MN 55155

Ref: SF 951

Dear Ms. Staples:

I'm writing to advise that I believe the definition of small business in SF 951 is just too small. It's too small to be of much help to technology businesses which are one of our best job creators.

My company, for example, is very small by most technology business standards being about two million dollars in sales and employing 36. (Three years ago we would have fit that definition). A brochure describing Electro/General is enclosed so you can see what a small, high-technology company looks like.

I would suggest you consider using the Federal definition of ten million dollars sales. Once a technology company gets to that size, it should be able to stand on its own as a fully viable enterprise.

I'm also enclosing a copy of a speech I gave last year on why technology businesses are good for Minnesota and how to start more.

Sincerely,

ELECTRO/GENERAL CORPORATION

Herbert C. Johnson  
President

HCJ:jah

SMALL, HIGH TECHNOLOGY COMPANIES:  
ONE GOOD ANSWER TO MINNESOTA'S NEEDS

HERBERT C. JOHNSON

Presented to the Minnesota Association of Commerce and Industry

January 13, 1978



I'm pleased for the opportunity to talk to you about small, high technology business. It's becoming a favorite subject of mine. I'm currently President of Electro/General Corporation which is a small, high technology business. We manufacture proprietary products incorporating microcomputers. We also design and manufacture microcomputer circuitry for customers to incorporate in their own products. That's high technology. We have 30 employees--that's small.

Time is short and I have a lot to share with you so I intend to talk fast. First, I'm going to tell you a Minnesota success story. I'm going to tell you why I consider it a success. Then I'm going to examine some data on our state to show you how it can point to more successes. From this, I intend to move to two specific recommendations and to a conclusion.

Here's the success story. In the early 50's, the University of Minnesota operated an aeronautical research laboratory called Rosemount Research Laboratories. This organization conducted contract research for the U.S. Government. At least four businesses originated here. I'll name them. Research Incorporated, Fluidyne, Rosemount Engineering and later MTS Systems Corporation. Today, these businesses generate over \$100 million in total sales. They're growing, on the average, over 20% per year and at this time represent over 2000 new jobs in this state.

Now why is this significant? Let's examine it.

- They create new jobs--not transfers.
- They are rapid growth businesses, creating more jobs as time goes on.
- They generate the great majority (over 90%) of their revenues outside the state. i.e., they bring money into Minnesota.



- They help support a variety of other businesses within the state.
- They provide "high-grade" jobs: intellectual jobs in excellent work environments, paying well above the average in salary per employee.
- They employ a high ratio of college educated, high earning citizens. That is, they keep educated, high income people here.
- They are environmentally clean and low energy consumers.
- They provide high tax revenues with relatively low social costs.
- They are not competitively disadvantaged by distance from market.
- They are not limited by a fixed or diminishing resource base.

I believe these are desirable qualities for our Minnesota economy. Qualities we would reasonably favor in building our economy.

The great natural resources that fueled our economy in the first half of this century are at a point of diminishing returns. Do you believe Minnesota is, first of all, an agricultural state? Table 1 and Figure 1<sup>1</sup> may surprise you. It surprised me. I thought agriculture and mining were relatively much larger. Consider mining at 11,148 jobs in 1977.<sup>2</sup> Just one small segment of our high technology business, scientific instrument manufacturing, employs more and is growing at 10% per year while mining is projected to decline slowly.

Here's another surprise. Figure 2 shows where the state incomes are and where they're going. Figure 3<sup>3</sup> shows relative growth in different job classifications with relative incomes. Clearly, high technology activities are growing faster and paying more in Minnesota. In fact, of the major manufacturing employment segments in Minnesota, only two--electrical machinery and high technology businesses--exceeded 10% per year job growth between 1960 and 1970.

What are the trends nationally? First of all, let's compare high technology businesses with low technology businesses. During the period from 1950 to 1974 high technology businesses (compared to low technology) <sup>4</sup>

Compounded growth rate is three times as high.

Output per employee is double.

Employment is growing almost nine times as fast.

Achieved a positive balance of trade of \$25 billion versus a negative \$16 billion for low technology manufacturing.

Inflated prices one-sixth as much.

Second, how does Minnesota rank? We place tenth in the nation in high technology jobs. Interestingly, we are third in terms of percent of high technology sales to total manufacturing sales at 12.1 percent. <sup>5</sup>

Third, where are the non-agricultural jobs going? Table 2 <sup>6</sup> shows the extraordinary employment growth of the "Sunbelt" states and the decline of the East with Minnesota in the middle. If anything, these trends are greater today. To put these figures in perspective, Table 3 shows total science and technology industry shipments in 1973 for the top eleven states. I must mention at this point that this study was done on a very narrow definition of such industry. In fact, MTS Systems, definitely a high technology business, might not be included under this definition. I believe, therefore, that high technology business is really a bigger part of Minnesota's whole than this definition would indicate. Further, many businesses incorporate high technology components.

Well, if technology business is important for Minnesota, let's look at some of its characteristics. It:

- tends to cluster around strong engineering schools. (Stanford gave California its "silicon valley")
- tends to be fed by research and development monies
- tends to originate where an entrepreneurial spirit exists <sup>7</sup>
- is greatly helped by ready availability of venture capital
- tends to grow best where a strong technology base already exists.

If we want to grow more of technology business in Minnesota, I suggest the place for our state to start is with our own Institute of Technology of the University of Minnesota. It is our only engineering school and generally ranks in the top 10% of all U.S. engineering schools. Table 4 contains a partial listing of ways I.T. helps both large and small industry. It could do a lot more.

Consider the Institute of Agriculture. It has an excellent outreach and consultative program together with a state funded research program that together costs our state about \$3,600,000 per year. If Minnesota were to fund such a program in I.T. at this level, it would cost less than two percent of state corporate income taxes <sup>8</sup> and impact more than three times as many jobs-- in a growing job market. It's exciting to see what some other states have accomplished with technology development programs. Right now, there is no state funding available for this kind of program in I.T. I can't think of a more cost effective and all-inclusive way to enhance technology business in Minnesota than this. Such a program would be doubly effective in aiding Minnesota because Federal R & D funding in the physical sciences has declined sharply over the past ten years.



I suggest that another way our state could aid the development of technology (and all) manufacturing business is to give substantive evidence that industry is needed, welcome and fairly treated in Minnesota. It seems to me that our Minnesota government has a reputation (at least within the State) of being unfriendly to business.<sup>9, 10</sup> Whether it's deserved or not, I can't say but it seems to be rather pervasive. Certainly this sort of reputation is counter productive in terms of attracting and/or keeping desirable businesses. Particularly so, for technology businesses which are generally easier to move than heavy manufacturing or resource based industry. Even more so for the intrepeneurs who will be starting new businesses.

There are plenty of suggestions and examples of what can be done by state government to promote business and make business feel welcome.<sup>11, 12, 13</sup> I don't think that it need cost our state a great deal to do so. Say, for example, the state plowed back four percent of corporate income tax receipts into evidential business support. Together, these would represent only six percent of current corporate income tax receipts.

In summary, and speaking in agricultural terms, we've been eating into our seed corn for too long. That's no way to grow more crops. We need to set aside something from our present crop for future growth.

I urge you to support such a program for our state. If we could persuade our government to embark upon it, I think we could go a long way towards building the kind of tax base we seem to need to support our way of life and to minimize the loss of quality jobs to other states.

## LIST OF REFERENCES

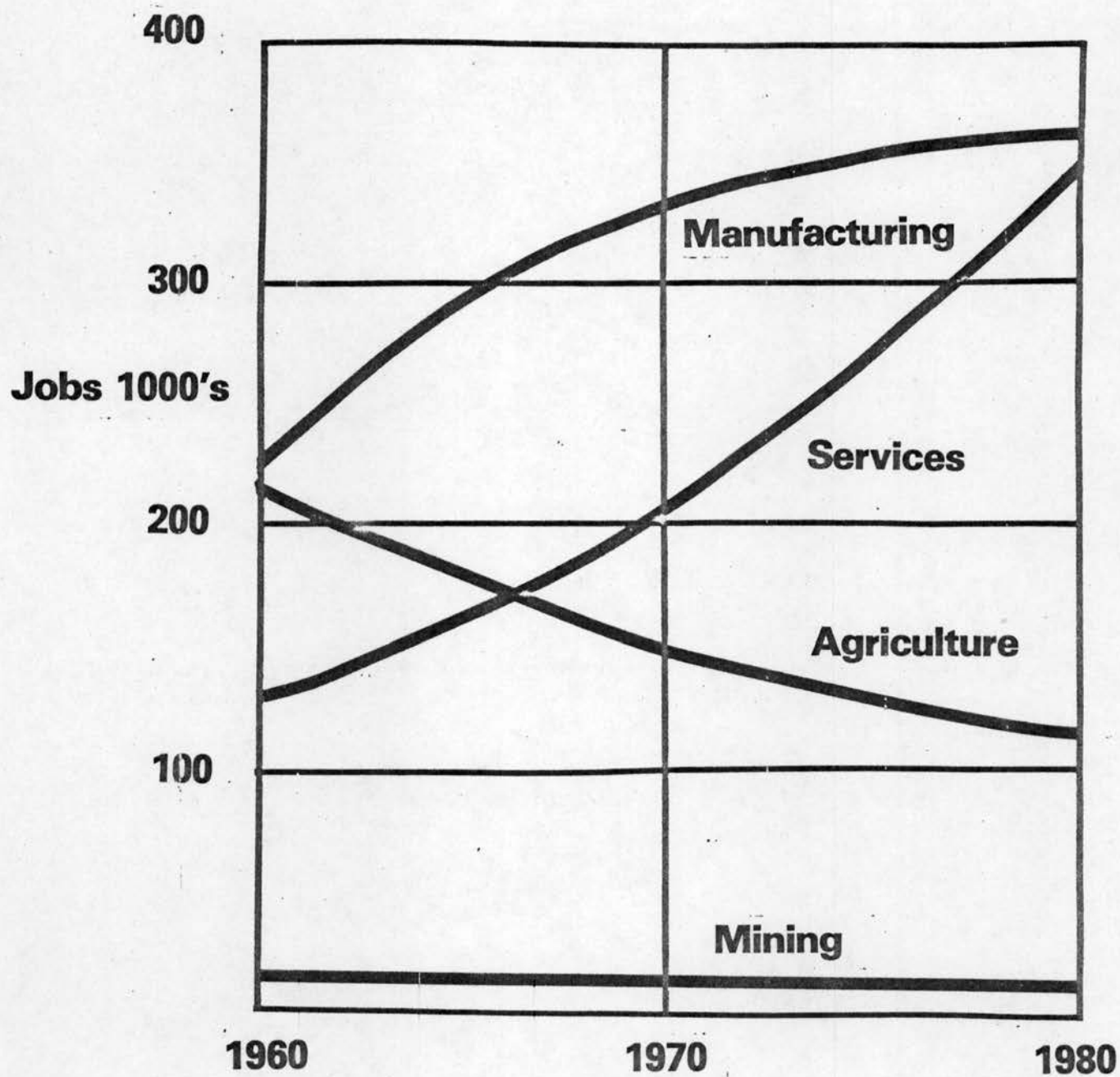
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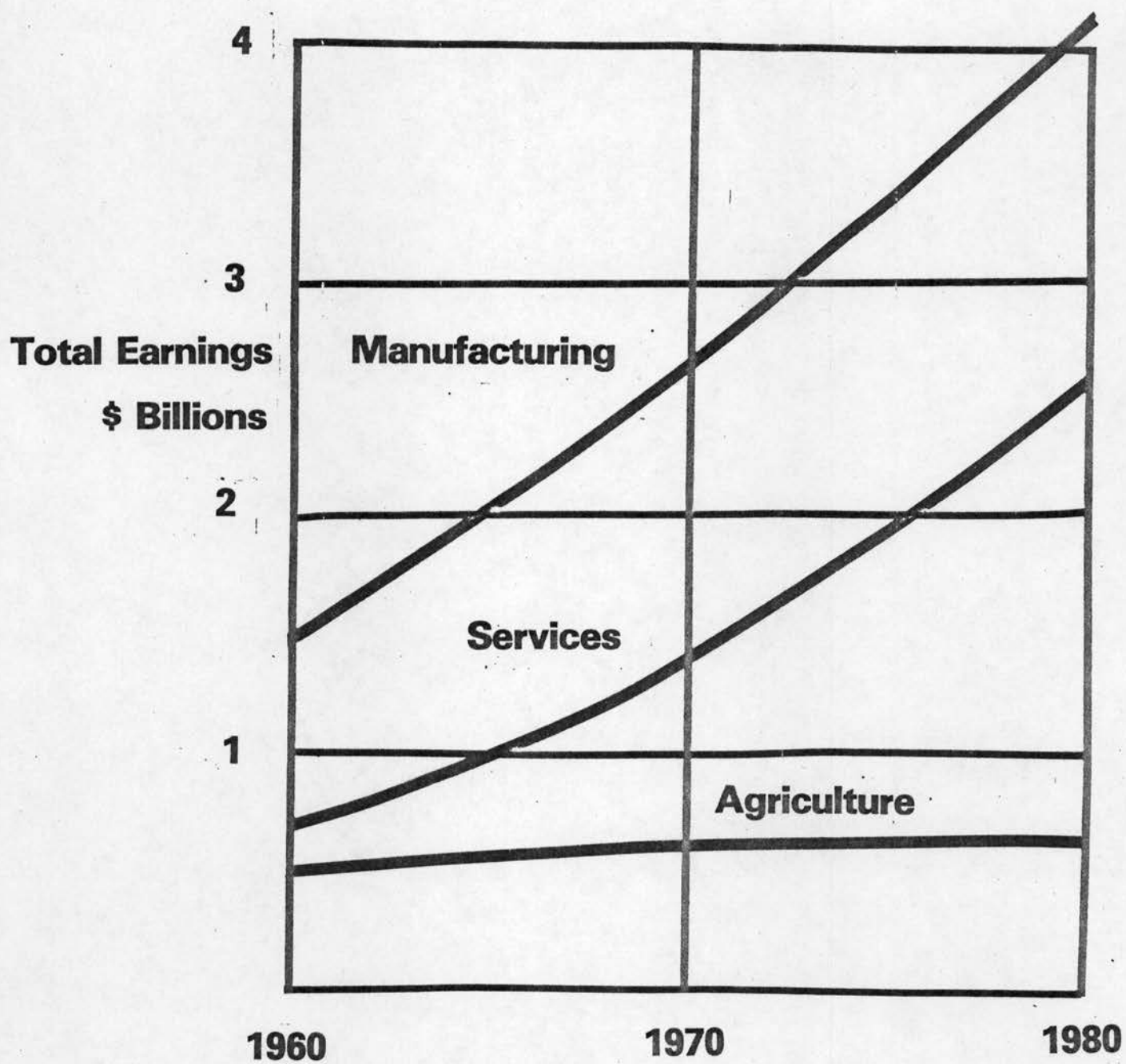
**Table 1: Economic Sectors in Minnesota  
Ranked by Employment Size  
(Thousands)**

|                                   | <u>1960</u> | <u>1970</u> | <u>1980</u> |
|-----------------------------------|-------------|-------------|-------------|
| Manufacturing                     | 225.1       | 332.0       | 358         |
| * Trade                           | 231.5       | 306.9       | 430         |
| * Government                      | 144.5       | 224.1       | 302         |
| Services                          | 131.7       | 206.4       | 347         |
| Agriculture                       | 216.0       | 149.6       | 121         |
| * Public Utilities                | 83.9        | 87.5        | 100         |
| * Contract Construction           | 55.4        | 67.6        | 110         |
| * Finance, Insurance, Real Estate | 45.5        | 62.2        | 79          |
| Mining, Quarrying                 | 15.0        | 14.5        | 15          |
| Metal Mining                      | <u>13.5</u> | <u>13.1</u> | <u>?</u>    |
| Total Employment                  | 1,148.6     | 1,450.8     | 1,862       |

\* Employment sectors which tend largely towards transfer payments within the state.

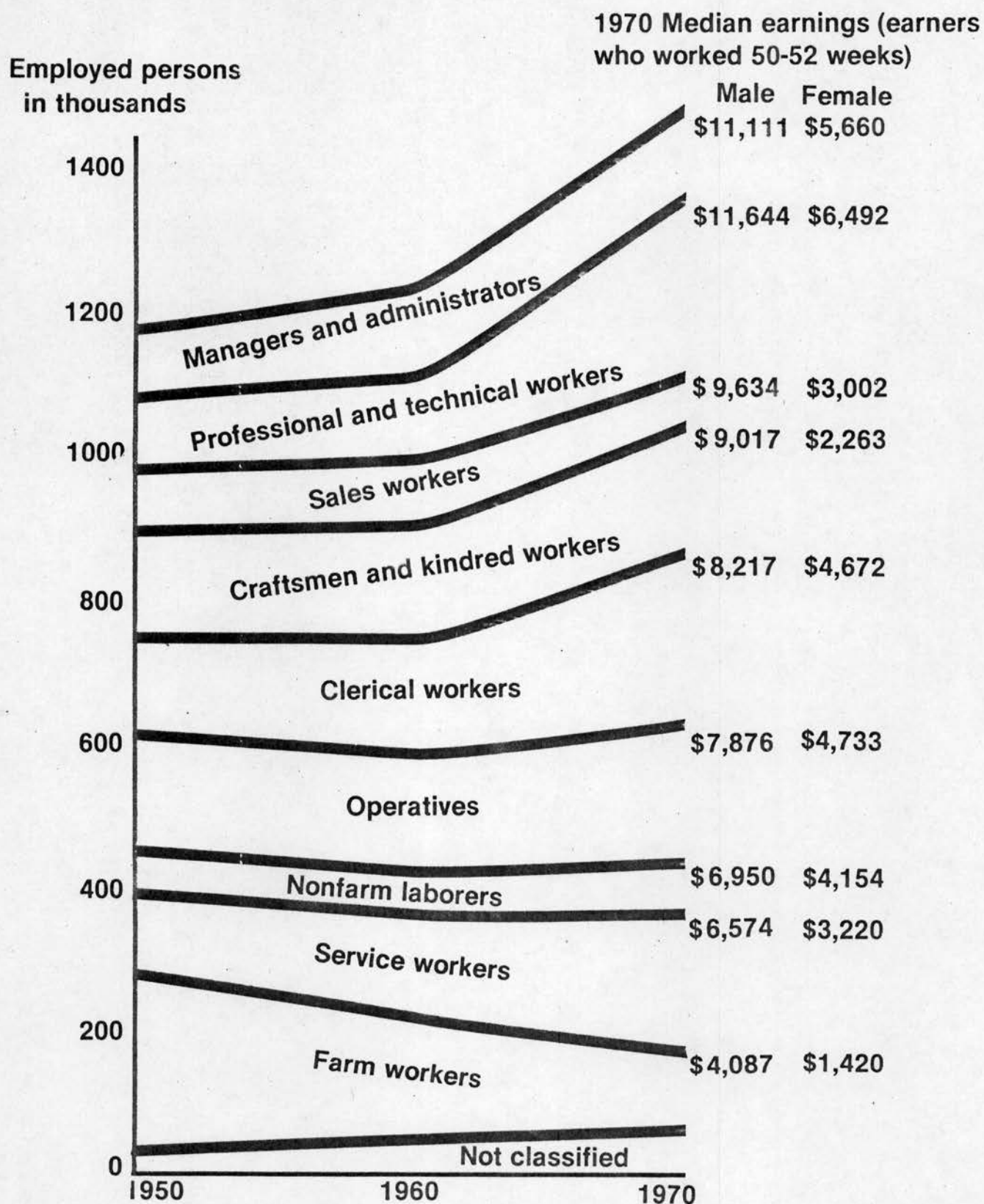


**Figure 1: Total Employment in Four Sectors of Minnesota  
Non-Governmental Activities**



**Figure 2: Total Earnings in Three Sectors of Minnesota Non-Governmental Activities**

**Sum of Wages, Salaries, and Proprietor's Income.**



**Figure 3: Relative Growth and Incomes of Various Occupations in Minnesota**



**Table 2: Growth of Non-Agricultural Employment  
in Technology Oriented States,  
Percent of 1975 over 1950**

|                     |      |
|---------------------|------|
| Arizona .....       | 358% |
| Florida .....       | 294% |
| California .....    | 134% |
| Texas .....         | 131% |
| MINNESOTA .....     | 84%  |
| New Jersey .....    | 61%  |
| Ohio .....          | 47%  |
| Illinois .....      | 41%  |
| Massachusetts ..... | 34%  |
| Pennsylvania .....  | 23%  |
| New York .....      | 21%  |



**Table 3: States with More Than a Billion Dollars  
in Value of Shipments for Science and  
Technology Industries, 1973**

| <u>Rank</u> | <u>State</u>  | <u>Dollars (Millions)</u> |
|-------------|---------------|---------------------------|
| 1           | New York      | \$10,117                  |
| 2           | California    | 8,028                     |
| 3           | Illinois      | 4,394                     |
| 4           | Massachusetts | 3,818                     |
| 5           | New Jersey    | 2,710                     |
| 6           | Pennsylvania  | 2,170                     |
| 7           | Texas         | 1,930                     |
| 8           | MINNESOTA     | 1,857                     |
| 9           | Ohio          | 1,668                     |
| 10          | Connecticut   | 1,322                     |
| 11          | Florida       | 1,087                     |

## **Table 4: Institute of Technology Aids to New Business Starts, Growth and Maturity**

1. Through competence and reputation,
  - a) Provides a Seed Bed to new businesses
  - b) Attracts business from other states
  - c) Provides training in new technologies
2. Provides technical assistance to industry
3. Provides knowledge workers for industry
4. Provides continuing engineering
5. Produces innovations which can be licensed as profitable products and/or enterprises.

3/29  
WALTER J. CARLSON  
2246 EDGEWOOD AVE. SOUTH  
MINNEAPOLIS, MINNESOTA 55426

March 28, 1979

Senator Emily Anne Staples  
State Capitol  
St. Paul, Mn. 55155

Dear Emily Anne:

I would appreciate your support for a gas tax bill tied into the consumer price index. It appears to me that this will be the only prudent way to get some reasonable help for our deteriorating roads. I would also urge your assistance in getting our interstate system completed before we lose the federal monies available.

Sincerely,



Walter J. Carlson

*Hope you can help us on this matter*  
*Emily Anne* — *Walt*

3/28

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OF COUNSEL  
ROBERT A. STEIN

March 28, 1979

Senator Emily Anne Staples  
235 State Capitol  
St. Paul, Minnesota 55155

Re: House File 13 (Obscene Movies in Drive-in Theatres)

Dear Senator Staples:

This office represents the National Association of Theatre Owners, Minnesota Chapter. We submit the following information concerning the above bill.

1) Testimony before the Senate Judiciary Committee failed to establish the need for the bill. Initially, witnesses claimed that "X" rated movies such as The Devil in Miss Jones and Deep Throat were shown at drive-ins in Brainerd, Willmar, Dawson, South St. Paul and at the Minnehaha Drive-in in Maplewood. But investigation by the Committee staff showed there was no evidence of this. One witness, Mr. Markert, offered specific testimony that Deep Throat had been shown at the Minnehaha, but withdrew this claim and apologized when a telegram was received from the manager of the theatre denying it. In fact, an "X" rated movie was shown at a drive-in theatre in Minnesota only once, five years ago, at Verndale in Northern Minnesota, in an exceptional situation: the theatre operator was closing down her business and chose to make a quick profit. Other drive-in theatres, fearing the consequences for the entire industry, attempted to persuade law enforcement officials to act and they did not. No legislation can cure such a failure to act.

After retracting their claims that "X" rated movies were routinely shown at drive-ins, proponents asserted that the bill might be needed in the future. But present law is clearly adequate to meet any contingency. Minnesota Statutes 617.241 makes exhibiting obscene material a petty misdemeanor. Municipalities throughout Minnesota have ordinances making the offense a misdemeanor. Further, under Minnesota Statutes 617.291, showing sexually provocative material to minors is a gross misdemeanor, and may be enjoined. "Sexually provocative material" includes a much wider range of material than the "obscene material" covered by House File 13.

Not a single sheriff, county attorney or police chief has ever appeared before any committee of the Legislature to testify that additional law is needed to deal with any present or foreseeable problem.

It was asserted that some drive-in theatres may become obtrusive to passers-by or nearby residents. No specific information on this point was offered. If such situations do arise, offense to persons outside the theatre

MULLIN, WEINBERG &amp; DALY, P. A.

Senator Staples

- 2 -

March 28, 1979

can occur whether or not the film is legally obscene. Time and place zoning regulations designed by communities to meet their specific needs can better deal with any such problem. Minnesota Statutes 462.375 and 12.221(32) permit municipalities to adopt such regulations.

2) The proponents seek to include in the bill a provision for an injunction, with no right of jury trial. The Senate Judiciary Committee struck this portion from the bill after hearing testimony that:

a) A county attorney may rely on reviews, reputation or other hearsay in commencing an action to suppress the movie, even though he has not seen it. (This is not a hypothetical concern. Mr. Markert, for the proponents, stated that this is exactly what is intended.)

b) The exhibitor is given only one day to retain an attorney, assemble witnesses and commence the hearing. It is impossible to develop a case concerning "community standards" in one day. The judge is given two days to issue his order, even though he may desire more time to deliberate on the evidence.


c) In applying "community standards" to determine whether a movie is obscene, the judge must speculate on what a jury drawn from the community might find if the right of jury trial had not been denied. It is difficult to imagine a proceeding more likely to result in error.

3) It is claimed that the bill would clarify the law of obscenity by introducing the standards in Miller v. California, 413 U.S. 15, 93 S.Ct. 2607 (1973). On the contrary, this legislation would leave Minnesota with three different statements on what obscenity is, with no policy basis for the differences. Compare Minnesota Statutes 617.292 and 617.241, with House File 13. The confusion created could give rise to a challenge to any or all three of the definitions.

4) Contrary to claims made for it, the bill does not "do something" about pornography. It will have no effect on topless bars, lewd bookstores, "X" rated movie houses, peep shows or the like. It is aimed only at drive-ins, which do not exhibit "X" rated material.

5) The bill is opposed by the Minnesota Education Association, the Minnesota Newspaper Association and the National Association of Theatre Owners. Enclosed is a copy of an editorial from the Minneapolis Tribune, March 14, 1979, expressing opposition to the bill.

Yours very truly,

  
William E. Mullin

WEM/dp

Enclosure



# Minneapolis Tribune



Established 1867

Charles W. Bailey Editor  
Wallace Allen Associate Editor  
Frank Wright Managing Editor  
Leonard Inskip Editorial Editor

Donald R. Dwight Publisher

8A

Wednesday, March 14, 1979

## Bill to ban obscene films unnecessary

The Senate Judiciary Committee has a chance today to stop an unneeded and potentially troublesome bill from becoming law. The bill, already passed by the House, would give local governments the power to ban obscene films in drive-in theaters.

The bill is unnecessary because the problem it attempts to solve doesn't exist. At an earlier hearing, the bill's supporters listed several recent instances in which X-rated films (which might or might not meet the bill's definition of obscenity) were shown at outdoor theaters. But evidence gathered by the committee staff showed that only one such showing had occurred. (Ironically, a theater-owners' group asked local officials to block that showing, but the officials declined to act.)

Then some backers switched to the argument that the bill is needed to prevent future problems. But one showing of an offensive film, over the objec-

tions of other theater-owners, hardly indicates that problems are likely. And if problems do arise, exhibitors can be prosecuted under existing law.

The bill is potentially troublesome because it would add an important new element — prior restraint — to anti-obscenity efforts. Local governments could censor films and prevent some from being shown. And even though the bill's definition of obscenity, taken from a U.S. Supreme Court ruling, is somewhat restrictive, serious works of art could be the target of such censorship. Theater-owners could be forced into costly legal battles to defend their right to show worthwhile films.

Such a risk might be justified if a problem existed, and if the bill were needed to solve it. Since neither condition exists, the bill is unnecessary overkill. Senators rejected the bill after the House approved it last session; they should do so again.

4/3

# PAKO

PAKO CORPORATION

April 2, 1979

Senator Emily A. Staples  
Minnesota Senate  
State Capitol  
St. Paul, MN 55155

Dear Senator Staples:

Thank you for taking time out of your busy schedule to attend the meeting at the Employers Association of Greater Minneapolis last Saturday morning.

It was heartening to receive your verbal commitment of support on many of the proposed changes to the Workmen's Compensation statutes. Your desire to assure neutral position panels and neutral compensation judges will do much to alleviate the problem which Minnesota employers have faced in recent years.

You are to be commended for your candor and your desire to obtain all of the facts before determining your position. We hope this meeting helped you see some aspects of the problem which had not been called to your attention earlier.

Sincerely,

PAKO CORPORATION



E. W. Rockney  
Vice President - Industrial Relations

j1



NATIONAL ORGANIZATION FOR WOMEN

MINNESOTA N.O.W.

Joan L. Martin  
Legislative Coordinator  
10311 Cedar Lake Road #203  
Minnetonka, MN 55343  
(612) 545-8312

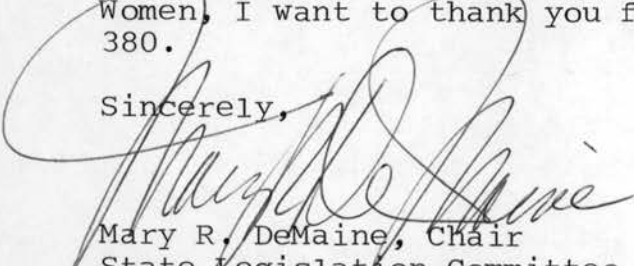
April 20, 1979

Senator Emily Anne Staples  
State Capitol  
St. Paul, Minnesota 55155

Dear Senator Staples:

On behalf of the Minnesota Chapter of the National Organization for Women, I want to thank you for voting against H.F. 399 and for S.F. 380.

Sincerely,

  
Mary R. DeMaine, Chair  
State Legislation Committee  
1811 West 49th Street  
Minneapolis, Minnesota 55409

Women's Support Group  
Loring-Nicollet Alternative School  
1920 Pillsbury Avenue South  
Minneapolis, Minnesota 55403

April 19, 1979

Health, Welfare and Corrections Committee  
Room #303  
State Capitol  
Saint Paul, Minnesota 55155

Dear Committee Person:

We are a group of women from Loring-Nicollet Alternative High School who are concerned with matters effecting our human rights, particularly those that involve choices about our bodies and hearts. We believe that all people, whether sixteen or forty or sixty-five, have the right to privacy in their sexual activities, and the right to decide for themselves to use whatever birth control available on the market to prevent pregnancies. In the case of unplanned and unwanted pregnancies, any woman is entitled to choose for herself whether to continue the pregnancy or to abort.

Therefore, we are writing at this time to express our strong disapproval of the bill currently up for review before the Health, Welfare and Corrections Committee: Senate File 399, in which the parents of minors would be notified before any contraception, abortion or sterilization services could be provided. At a time when teenage pregnancies are increasing rapidly and young single mothers are often unprepared emotionally and financially to support a child, any action curtailing the free choice of women under 18 in matters of birth control and abortion is both unconstitutional and cruel.

Ideally parents would prove sympathetic and supportive of their children's responsible use of birth control. Unfortunately, there are many teenagers who would continue their sexual activity unprotected by birth control if they were fearful at all of their parents' reactions. A bill such as this would not only alienate and create resentment between many parents and children, but also restricts the privacy of young people.

We urge you to seriously consider the repurcussions of a bill like this and to vote "no" to Senate File 399. Help keep our rights intact.

Respectfully submitted,



We are opposed to Senate File 399:

Therese M. Jones

Gail Dahlke  
Polly Cousins

Ann Voss

Samuel McKenna

Penny Notness

Sigrid Erickson

Peggy Roche

Audrey Cullen

Lynne M. Johnson

Sharon B. Swenson

Robin L. Berkowitz

Karen Neuman

Heather A. Wood

Linda Wing

Joe Muscoe

Susan R. Benedict

Beck Salomon

Laurie Ann Hodoff  
Barbara Jorgensen

Lori L. Snook

Joanne Reiger

Karen Masanz

Walt Fink

Diane Tabor

Lisa Carlson

Cheryl Chasen

Hildjen Jeamans

Joe Petersen

Martha Helte

Lynne Bandy

Ann Benedict

Mary Zosel



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SENATOR EMILY ANNE STAPLES  
STATE CAPITOL BLDG RM 235  
AURORA AVE  
ST PAUL MN 55155

I AM PLEASED TO LEARN THAT THE SENATE COMMITTEE ON HEALTH WELFARE AND  
CORRECTIONS VOTED ON THURSDAY TO DEFEAT A BILL THAT WOULD HAVE  
EFFECTIVELY KILLED THE 1978 FAMILY PLANNING GRANT PROGRAM. AS THE  
PRINCIPAL AUTHOR OF THE 1978 ENABLING LEGISLATION AND A LONG-TIME  
SUPPORTER OF THE FAMILY PLANNING PROGRAM IN MINNESOTA THE DEFEAT OF THE  
ONEROUS SENATE BILL MUST HAVE BEEN ESPECIALLY GRATIFYING. WITHOUT YOUR  
EFFORTS AND LEADERSHIP THE DEFEAT OF THE BILL IN COMMITTEE WOULD HAVE  
BEEN IMPOSSIBLE. THANK YOU

FAY WATTLETON  
PRESIDENT  
PLANNED PARENTHOOD FEDERATION OF AMERICA

20:20 EST

MGMCOMP MGM

TO REPLY BY MAILGRAM, PHONE WESTERN UNION ANY TIME, DAY OR NIGHT:

FOR YOUR LOCAL NUMBER, SEE THE WHITE PAGES

OF YOUR TELEPHONE DIRECTORY

OR

DIAL (TOLL FREE) 800-257-2241

(EXCEPT IN NEW JERSEY 800-632-2271)

OR DIAL WESTERN UNION'S INFOMASTER SYSTEM DIRECTLY:

FROM TELEX ..... 6161

FROM TWX ..... 910 420 1212



Downtown Minneapolis  
88 South Tenth Street  
Minneapolis, Minnesota 55403  
Phone (612) 339-4811

April 16, 1979

Senator Emily Anne Staples  
235 State Capitol  
St. Paul, Minnesota 55155

Dear Senator Staples:

The Schmitt Music Company currently operates eleven stores within the state of Minnesota, and four stores in cities on Minnesota's border.

This year we have borrowed as much as \$4.5 million at interest rates varying between 14% and 15%. The loan is secured in part, by accounts receivables, almost all of which are revolving charge accounts.

This year our interest expense will exceed our interest income by approximately \$220,000. Needless to say, this excess of interest expense must be accommodated by higher prices on all our merchandise.

Our company earnestly solicits your deepest consideration and support of SF 285 when it reaches the floor in the near future, as we believe passage of this legislation would more truly reflect the cost of credit in Minnesota.

Sincerely,

*Robert Schmitt*  
Robert Schmitt  
President

RS:km

*Hey Pal!  
We need your help!*