

April 20, 2018



ewald at the capitol

Third Committee Deadline Passes

The legislature has hit the home stretch with the passing of the third committee deadline on Friday, April 20, and just one month to go before the constitutional adjournment deadline of Monday, May 21. The third committee deadline is when all major appropriation (omnibus) bills must be passed through the committee process and either be in the House Ways and Means committee, Senate Finance committee, or sent to the floor of either chamber.

Next week will see more legislative action on the floor of both the House and Senate, and less time spent by legislators in committee rooms. The legislative website has a platform allowing you to [stream the House floor session](#) and [stream the Senate floor session](#). Make sure to [check the legislative calendar](#) to stay up to date on all the work being done at the capitol.

Education Omnibus Bills

This week both the House and Senate introduced, amended and passed their respective supplemental E-12 budget bills.

The House bill, [HF 4328](#) (Loon), appropriates \$31.8 million in FY19 and an additional \$55 million into the next biennium with most of the funding, \$20.2 million going to school districts in the form of new ongoing state aid for school safety purposes. School districts have received safe schools revenue for some time but it has come in the form of a local levy. The House bill also provides additional funding for school-linked mental health grants, school security audits, and school resource officer training as part of the school safety priorities.

The House bill includes policy priorities as adopted by the House Education Policy Committee. Like the Senate bill, the House includes its version of a rating system for school districts. Other proposals of note include stricter limitations on educators' licenses in the case of misconduct and a new government and civics credit requirement for graduation.

The Senate bill, [SF 3928](#) (Nelson) appropriates \$22.6 million in FY19 and an additional \$11.8 million into the next biennium. Like the House, most of this funding is invested in providing school districts increased safe

They said it:

"Throughout my legal and legislative service, I have worked hard to promote the values of fairness, accountability, and individual dignity, while making sure Minnesotans' voices are heard. I thank Gov. Dayton for the honor and opportunity to continue serving the people of our state on the Minnesota Supreme Court."

– Rep. Paul Thissen (DFL-Minneapolis)

Ewald Government Relations Team

David Ewald
651-290-6276
davide@ewald.com

Valerie Dosland
651-265-7857
valeried@ewald.com

Jess Myers
651-290-7465
jessm@ewald.com

Troy Olsen
651-288-3424
troyo@ewald.com

Becca Pryse
651-265-7858
beccap@ewald.com

Owen Wirth
651-288-3438
owenw@ewald.com

Ewald  Consulting

1000 Westgate Drive, Ste. 252 • St. Paul, MN 55114 • 651-290-6260 • Fax: 651-290-2266 • ewald@ewald.com • www.ewald.com

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schools revenue (\$19.8 million). The Senate, however, provides this funding for one year only.

The Senate bill has little policy included in its supplemental budget bill as policy priorities are moving as a stand-alone bill. A few policy items are included in the Senate budget bill, however. Of note is a proposal to require school boards to adopt a policy on how and when political viewpoints from students or teachers are shared. The bill also includes a proposal to establish a star rating system for school districts.

Health and Human Services Omnibus Bills

This week the House Health & Human Services Committee released its omnibus bill, hearing testimony and considering amendments. The bill is reflective of some of the hot-topic issues in Minnesota currently — including the opioid crisis, concern for keeping seniors safe from abuse and a path for licensure of Speech Language Pathology Assistants. Some highlights of [HF 3138](#) (Dean) are as follows (it should be noted that the hyperlinked bill does not include the amendments adopted on Thursday, April 19):

- Authorizes alcohol and drug counselors to receive loan forgiveness from the health professional education loan forgiveness program; Modifies licensure requirements for prescribed pediatric extended care centers; Establishes licensure requirements for speech-language pathology assistants.
- Prohibits limits on certain disclosures by pharmacists and prohibits restrictions on consumers paying the lowest cost for prescription drugs; Establishes a drug repository program for donated drugs and medical supplies; Places time limits on filling opioid prescriptions; Establishes a grant program for students to conduct opioid awareness and opioid abuse prevention activities; Provides grants to ambulance services for opioid overdose reduction activities conducted by community paramedic teams.
- Provides for a nursing facility operating payment rate increase for certain border cities.
- Modifies the Health Care Bill of Rights and Home Care Bill of Rights, to allow patients, residents and persons receiving home care services to exercise their rights or recommend changes in home care policies and services free from restraint or interference; Requires nursing homes and home care providers to submit corrective action plans to the commissioner of health specifying actions to be taken to comply with a correction order.
- Modifies child care licensing and training requirements; Allows for grants and variances for programs providing stable housing and support services for vulnerable youth;

Establishes child welfare evaluation studies and training methods, modifies provisions related to child support, establishes a task force on childhood trauma-informed policy and practices.

- Authorizes licensed physical therapists to sign a medical statement used to obtain a disability parking permit or disability plates.

The Senate's Omnibus Health & Human Services Bill, also passed this week, has a similar focus on hot-topic issues of importance to Minnesotans such as the opioid crisis and concern over the treatment of seniors in residential facilities, with additional focus on issues such as tobacco cessation, preventive mammogram screening, health plan override requests and more stringent background checks for some health care workers. To that end, provisions in [SF 2505](#) (Benson) include (similar to the link to the House bill, this hyperlink does not include adopted amendments):

- Requires the Commissioner of Health to provide grants to ambulance services to reduce opioid overdoses in the state by developing and implementing projects that connect community paramedic teams with patients who have been discharged from a hospital or emergency room following an opioid overdose episode.
- Requires the following individuals submit to a criminal background check: (1) applicants for initial licensure or licensure by endorsement; (2) applicants seeking reinstatement or relicensure if more than one year has elapsed since the applicant's license or registration expiration date; or (3) licensees applying for eligibility to participate in an interstate licensure compact. An applicant's criminal background check results are valid for one year from the date the results were received by the board.

State Government Omnibus Bills

This week, the House and Senate State Government Finance Committees produced supplemental omnibus finance bills that make a variety of funding and policy changes to numerous state government agencies.

Some details of the House bill [HF 4016](#) (Anderson S.) include:

- \$9.7 million to support the Minnesota Licensing and Registration System (MNLARS) project. The funds are made available by requiring reductions in appropriations across state agencies.
- \$1.75 million from the Help America Vote Act Account for cyber security of Minnesota's voting systems as well as provide the state match necessary to receive \$6.6 million

in federal funds for cybersecurity and for modernizing Minnesota's State Voter Registration System.

- Reduces the Minnesota Attorney General's Office funding by \$1 million.
- Reduces the Minnesota Department of Revenue funding by \$3.9 million.
- Reduces the Minnesota Human Rights Department by \$1.4 million.
- Transfers \$26 million from the stadium reserve fund to for construction of veterans homes in Preston, Montevideo and Bemidji.
- Modifies the governance of the Metropolitan Council.
- Provides CPA firms with additional rights when responding to the State Auditor.
- Requires state agencies to dedicate at least 3.5% of their IT budget to the enhancement of cybersecurity.
- Transfers certain data practices and open meetings laws oversight responsibilities from the Department of Administration to the Office of Administrative Hearings.

The Senate bill does not contain as many funding adjustments to state government agencies as the House version. Highlights of [SF 3764](#) (Kiffmeyer) include:

- \$1.75 million from the Help America Vote Act Account for cyber security of Minnesota's voting systems as well as provide the state match necessary to receive \$6.6 million in federal funds for cybersecurity and for modernizing Minnesota's State Voter Registration System.
- Makes numerous changes to the newly established Legislative Budget Office.
- Eliminates Office of Minnesota Information Technology (MN.IT) and transfers its duties to the Department of Administration.
- Repeals statutes that permit exclusive representatives to charge "fair-share" fees to public employees who are not members if the Supreme Court rules that "fair-share" fees are unconstitutional.
- Specifies how county auditors should use a certain report to identify and investigate potential votes cast by ineligible voters.

Transportation Omnibus Bills

This week the House and Senate Transportation Committees passed a supplemental transportation budget. The supplemental budget's main proposals provide fixes for MNLARS, make various policy changes and initiatives, and provide certain accountability measures in transportation funding.

Specific details of [HF 3806](#) (Newman) include:

- Appropriates \$9 million in FY 2018 for grants to Deputy Registrars to provide relief due to lost revenue caused by the troubled MNLARS.
- Provides certain temporary protections to Minnesota's auto dealers from certain financial consequences caused by unreasonable delays in title transfers and registration of motor vehicles due to the troubled MNLARS.
- Expands the services Deputy Registrars can provide to their customers to help mitigate the damages due to MNLARS.
- Requires at least 49 percent of Corridors of Commerce to be spent inside the metro area and 49 percent in Greater Minnesota.

The House bill, [HF 4160](#) (Torkelson), focuses on the state's highways, and local roads and bridges. Items included in the bill are:

- \$250 million in trunk highway bonding for road construction projects across the state which includes:
 - o \$145 million for Corridors of Commerce
 - o \$75 million for railroad grade separation
 - o \$30 million for Trunk Highway Facilities Program
- \$48.1 million for state road construction
- \$25.2 million County State Aid Highways
- \$11.1 million for operations and maintenance of state roads
- \$10 million for the Corridors of Commerce Program
- \$9 million in 2018 for Deputy Registrar reimbursements
- \$7 million for Small Cities Assistance
- \$6.6 million for Municipal State Side Streets
- \$5 million to establish a new Freight Rail Economic Development (FRED) program
- \$2 million one-time increase for Township Roads
- \$2.5 million for suburban to suburban transit
- \$500,000 for an I-94 lane study between St. Cloud and St. Michael
- Provides hours of service exemption for utility construction

Rep. Thissen Appointed to Minnesota Supreme Court

Gov. Mark Dayton has made his fifth appointment to the seven-member Minnesota Supreme Court, selecting State Rep. Paul Thissen (DFL-Minneapolis) as the next associate justice to the court. The vacancy in the court occurred when

former Associate Justice David Stras was appointed to the Eighth Circuit Court of Appeals in September, and confirmed in January.

Officially taking the position and resigning from the House of Representatives on Friday, April 20, Rep. Thissen is the 17th legislator to be elevated to the highest court in the state. He served in the House of Representatives for 16 years, including two years as Speaker of the House from 2013 to 2015. According to the Secretary of State's Office, it will take 38 days to successfully implement a special election, and with 31 days left in the 2018 legislative session there will be no special election held. Residents of [House District 61B](#) will elect Rep. Thissen's replacement in the November general election.

Supreme Court Rules on County Use of Private CPAs

In 2015 the legislature passed a law that allows Minnesota counties to hire private CPA firms to conduct their annual financial audits. State Auditor Rebecca Otto challenged that law, saying that permitting counties to bypass her office undermined the authority of the state auditor and was a violation of the separation of powers clause of the Minnesota Constitution. Otto sued Becker, Ramsey and

Wright counties after they contracted with private CPA firms to conduct their financial audits. A decision from the Court of Appeals ruled on the side of the counties and the 2015 law, which Otto appealed to the state Supreme Court. The high court ultimately reaffirmed the lower court's ruling in a unanimous decision. Chief Justice Lorie Gildea, in her [written opinion](#), stated that the state Constitution does not lay out the auditor's responsibilities and that the duties of the state auditor are left to be decided by the legislature, meaning the 2015 law does not violate the constitution. The court decided, however, that the state auditor does have the ability to decide if a county's audit was conducted correctly and that the office retains significant responsibilities in connection with the audits of Minnesota counties.

Road to 2018

Former State Representative and Minnesota Republican Party Chair Keith Downey has announced the end of his campaign for governor. The main Republican candidates now seeking the office are narrowed to Hennepin County Commissioner Jeff Johnson, Woodbury Mayor Mary Giuliani Stephens, and former Governor Tim Pawlenty.