

Legislative Update ~ March 8, 2013 ~ Update #18

Dear Friends,

Here at the Capitol, we remain focused on the budget. Last week's budget forecast will shape the Governor's revised budget, which should be made public in a few weeks. Today we got a glimpse into that revised budget when the Governor announced he would no longer pursue a business to business sales tax. This sales tax would have raised \$2 billion in new revenue, but was largely unpopular with the public. We will have to wait and see how this will affect the new spending in his revised budget, which in turn will shape the legislature's budget recommendations. As Chair of the E12 Finance Division, my main priority remains on education, and sometime in March we will begin to see a more fully formed education budget.

This week, the House and Senate Education Finance Committees held a joint meeting to discuss the Office of the Legislative Auditor's report on special education. There is a link to the report below. One of the recommendations from the OLA is to streamline the paperwork process, which can be a burden on our special education teachers.

I had a number of bill hearings this week, including SF 108, which would study White Bear Lake's water level issue. You can read more about the bill hearings below.

Regards,

Visit my Senate website at <u>www.senate.mn/senatorwiger</u>

- Click on "In Touch with Senator Wiger" to view my secondary webpage
- Read my weekly columns by clicking on "Newsletters"

View selected episodes of my local cable show at <u>www.youtube.com/user/senatorwiger</u>

• You can also view my cable show, "Your Capitol: What's Up?" on public access channels 15 and 16

View OLA report at http://www.auditor.leg.state.mn.us/ped/2013/sped.htm



Supporters of ARRM, a local nonprofit that provides a broad range of services for people with disabilities, visited the Capitol to talk about the importance of the program.



Legislative Updates

Water Bills (SF 244, SF 108)

Two of my bills, SF 244 and SF 108, were heard in the Environment, Economic Development, and Agriculture Division this week, as well as Senator Chamberlain's SF 497. Senate Files 108 and 497 are aimed at studying the water level drop in White Bear Lake. Both Senator Chamberlain and I represent parts of White Bear Lake, and we remain committed to finding an answer to this issue. In the past 10 years, the lake level has dropped five feet, which has a real impact on local events, the surrounding ecology, property value and other economic factors. Senate File 244 would appropriate \$9.5 million for the Department of Natural Resources to install new groundwater wells. White Bear



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Perry Jones from the US Geological Survey testified in support of SF 108 and Senator Chamberlain's SF 497.

Lake has a water drainage issue, a problem cities all across our state face. It is important to find out what factors are causing this issue, and how we can react proactively.

Energy Tax Exemption (SF 161)

Senate File 161 was heard this week in Taxes Committee this week. Senators Ortman, Petersen, Pratt, Bakk and I are offering legislation that would allow for a personal property tax exemption for the construction of energy generation equipment in the communities of North Saint Paul, Anoka, Chaska and Shakopee between June 30, 2013 and June 1, 2017 through the Minnesota Municipal Power Agency (MMPA.) This bill is important because it stimulates the new energy generation, which can be constructed more quickly than traditional power plants, and the cost savings are returned to the members of the community.



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Week in Review: Highlights from the Senate

Senate Passes Health Care Exchange Legislation Bill moves to Conference Committee

This week Minnesota has moved closer to implementing a state health insurance exchange with legislation passing in the House of Representatives and the Senate. Before the legislation made it to the floor, the bill was heard in seven different Senate committees and all but one senator (66 out of 67) had an opportunity to discuss and amend the bill within the committee process.

Creating the exchange gives the Minnesota a great opportunity to continue to lead the nation in healthcare coverage. Along with the potential to save Minnesotan's money, the exchange will help small businesses provide affordable health care choices to their employees. By 2016, it is estimated that approximately 300,000 currently uninsured Minnesotans could gain coverage through the exchange marketplace.

The goal of the health insurance exchange is to make a marketplace that works for consumers. The state-based exchange will serve one out of every five Minnesotans and create a market-based solution that will allow insurance companies to compete for business. The exchange will be an online tool for individuals and businesses to find comparisons of health care coverage options. By allowing people to see what options they have, they will be able to leverage insurance companies against one another to find the best option and price for their family.

The Senate spent several hours discussing the bill before it passed off the floor. The legislation will now be sent to conference committee. Once there, a handful of legislators from both the Senate and House (who voted for the bill) will be chosen to create one piece of legislation and send it back to the floor for more discussion.



January DEED Report Shows Promising Job Recovery

Figures released this week by the Minnesota Department of Employment and Economic Development (DEED) show that Minnesota gained 50,000 jobs since this time last year. In January alone, the state gained 12,100 jobs. Along with this report, DEED released revised figures from the Federal Bureau of Labor Statistics showing that we gained 16,700 more jobs over the past 21 months than previously reported. These numbers confirm we have recovered nearly 90% of the 160,000 jobs lost during the Great Recession.

Our labor market appears to be growing as rapid as ever. All 11 industrial sectors show yearover-year growth rates for the first time in more than a decade. Of the industrial sectors, trade, transportation and utilities leads with 13,300 new jobs created over the past year.

In seven of the 11 industrial sectors, our state growth is outpacing the national growth. So much so that State Economist Tom Stinson projects that we will return to pre-recession levels of employment by the fourth quarter of this year; nine months ahead of the nation as a whole.

DEED's report this week is good news for Minnesota. We hope that at this rate we will experience full job recovery very soon.

Lawmakers Discuss Raising the Minimum Wage

The Senate Jobs committee this week discussed five different proposals on raising Minnesota's minimum wage. Currently, the state's minimum wage is \$6.15; however, many businesses fall under the Federal minimum wage of \$7.25.

Minimum wage increases varied between proposals, with many increasing each year for the first couple of years following initial passage of the bill. Supports argue that raising the minimum wage would help the economy and decrease poverty. While the cost of everything has gone up, minimum wage has remained stagnant and does not reflect the true cost associated with goods and services. Proponents also argue that when people have more spending power, the whole economy improves. Groups who spoke against raising the minimum wage suggested that an increase would negatively affect teen employment and the cost of doing business in Minnesota.