

**GAVEL-TO-GAVEL COVERAGE OF THE 2004 MINNESOTA LEGISLATIVE SESSION**

**EDITOR'S CORNER**

Bill hearings picked up considerably last week as legislators in both the Minnesota House of Representatives and Senate began the process of shaping the bonding and supplemental operating budgets of the State of Minnesota. Last Friday brought news of a smaller than anticipated current-year budget deficit. The deficit came in at \$160 million for 2004. Earlier forecasts pegged the 2004 budget deficit at closer to \$185 million. Minnesota Governor Tim Pawlenty and Finance Department officials attributed the smaller shortfall to a reduction in projected 2004 state spending. While the budget news was mostly positive, potential trouble lurks in the "out-years." The projected budget deficit for the 2006-2007 biennium worsened by \$47 million over projections in the November, 2003 forecast. The Finance Department now projects a \$441 million deficit next biennium. DFLers were quick to point out that the \$441 million forecast does not include typical inflationary increases sought by state agencies, health care providers and school districts. The addition of inflation takes the deficit to closer to \$1 billion. But, at the State Capitol, that's a discussion for another day. Please enjoy this edition of the *CapitolWatch*.

**NAMES AND NUMBERS**

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Majority Leader Dean Johnson ..... 651-296-3826  
Minority Leader Dick Day ..... 651-296-9457

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**Issues to Watch:**

**Conflict of Interest Bill Defeated in Senate Committee:**

The Senate Elections Committee defeated legislation proposed by Senator John Marty (DFL-Roseville) to require elected officials to disclose campaign contributions of more than \$100 as a potential conflict of interest. The bill made the receipt of such a contribution a conflict with regard to any action or decision coming before the official in which the contributor has a financial interest. Opponents on the committee insisted that passage of the measure would force many lobbyists and associations to stop contributing more than \$100 to any elected official or candidate, making it harder for candidates to raise the money necessary to run for office. Senator Marty indicated that was his point in offering the legislation. Senator John Hottinger (DFL-St. Peter) stated the legislation implies that all elected officials are corrupt. He said he favors a system of full public financing of campaigns to address the issues raised by Senator Marty. Hottinger and other members of the Elections panel voted down the Marty proposal.

**Durenberger Health Care Task Force Issues Report:**

On Thursday, former United States Senator David Durenberger briefed members of the Senate Health, Human Services and Corrections Budget Division on the recommendations of the Citizens Forum on Health Care Costs, a group of distinguished Minnesotans impaneled by Governor Pawlenty to understand what our state's citizens want and expect from the health care system. The Task Force traveled the state conducting town hall meetings and listening sessions to review how the health care system works, or doesn't, in Minnesota. The Task Force report recommends, among other items, full disclosure of the costs and quality of health care, reduction of the costs of health care overhead and administration, creating incentives for consumers to choose higher-quality, lower-cost providers, and supporting new ways of training health care professionals. The full report is available at [www.mncitizensforum.org](http://www.mncitizensforum.org).

**Survey Process Raises Ire of State's Nursing Home Industry:**

Administrators of many nursing homes in Minnesota attended a packed House Health and Human Services Policy Committee meeting on Wednesday to testify to what they say is the Minnesota Department of Health's heavy-handed conduct in surveying nursing homes. Surveys are periodic three-day events designed to review a nursing home's compliance with state and federal law and to assure quality care to nursing home residents. Nursing home administrators are angry about a dramatic increase in the number of citations issued by the Department in the last two years, even though industry representatives and Health Commissioner Diane Mandernach have agreed there has been no decrease in the quality of care. Commissioner Mandernach testified that the survey system needs an overhaul. Mandernach told the committee "I'm absolutely committed to restoring the trust."

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