



STATE SENATOR DAVID SENJEM

MINNESOTA SENATE DISTRICT 25

PROUDLY SERVING THE COMMUNITIES OF:

Dodge County - Olmsted County

E-Newsletter

February 11, 2013

Dear Friends,

Last Thursday I introduced legislation asking lawmakers to approve a \$585 million public-financing plan to cover the public infrastructure costs associated with the clinic's ambitious growth plans.

The Mayo Clinic announced plans to invest \$3.5 billion over 20 years to build what it describes as a "Destination Medical Center." Mayo also estimates that the expansion could attract at least \$2.1 billion in additional private investment.



The goal of Mayo Clinic creating a Destination Medical Center (DMC) is to ensure Minnesota and Mayo Clinic continue to grow in the coming decades. Market forces in health care are driving a number of select medical institutions around the world to emerge as global Destinations Medical Centers. Mayo Clinic intends to be one of these select DMC's and prefer to develop in Minnesota and not expand elsewhere. The Destination Medical Center initiative will create 25,000-30,000 new jobs and generate approximately \$3 billion in new tax revenue.

This is an incredibly valuable asset for the state of Minnesota, and we are going to work collectively to make sure this asset not only stays here but grows here. We have the opportunity with this piece of legislation to do that.

Governor's State of the State Address

Governor Mark Dayton delivered his annual State of the State address last Wednesday. He again stressed his plan to raise taxes as a key part of his two year budget proposal. The Governor's budget relies on some \$3.6 billion in new taxes, including a broad \$2.1 billion expansion of sales tax on new goods and services.

New sales taxes would be imposed on transactions including clothing articles over \$100, over the counter drugs, haircuts, auto repair services, and a wide range of new business to business services.

The Governor's overall budget plan calls for spending \$37.9 billion over the next 2 years, and longer range spending of \$41.9 billion for the following two years. This four year spending total would represent an increase of \$6.7 billion or nearly 20 percent from current state spending.



Tax Committee: Making sure we have tax "conformity"

The Senate Tax Committee has plans to take up a proposal to address federal and state tax "conformity" issues. Aligning the state's tax laws to the federal tax code is an important issue as Minnesota families across the state begin filing their income tax returns. Provisions from tax year 2012 that remain unresolved include extending the educator classroom expense deduction, extending the higher education tuition deduction, extending tax-free IRA donations to certain public charities for taxpayers age 70 1/2 and older and the marriage penalty. Timely resolution of tax conformity will help prevent the need for Minnesota taxpayers to file amended returns.

The Health Insurance Exchange bill continues to move through committees



The Minnesota Insurance Marketplace Act was passed by the Tax Committee on a party line vote. A substantial amendment was adopted that changed the funding mechanism for the exchange from a 3.5 percent withhold on insurance premiums to a transfer of funds from the health impact fund (smokers tax) to cover the cost of exchange operations.

The Minnesota Senate has 23 Committee and Subcommittees.

Health and Human Services Committee

A bill to expand Medical Assistance coverage passed out of the Health and Human Services Finance Committee on Wednesday. This bill expands coverage for persons up to 138 percent of the federal poverty guideline.

Senators expressed concerns about the bill because the expansion is offered by the federal government under the Affordable Care Act. While the federal government says they will pay for the cost of newly eligible enrollees for the first few years of the program, the expansion will cost an unknown amount down the road that the state will be expected to cover.

Education Committee

In the Education Committee, school districts and the Chancellor of the Minnesota State Colleges and Universities (MNSCU) described the increasing partnerships and cooperation between secondary schools and higher education, which is enabling students to leave high school with a number of completed college credits free of charge to the family. Early college experiences in high school also seem to be affecting the graduation rate positively by engaging students with more challenging and/or more applied learning.

The Committee also turned its attention to Minnesota's age requirement for school attendance and considered a bill to increase the age from 16 to 18. Current law allows students who are 16 or 17 years old to withdraw from high school following consultation with school personnel and written permission of parents/guardians. Supporters of the age increase argue the measure would help cut drop-out rates and lead to social and economic benefits. However, a recent Brookings Institute study of the issue found that states with higher attendance ages do not have higher graduation rates.

State and Local Government Committee: State Employee Contracts

Last Thursday, the Senate passed (on a vote of 40-25) Senate File 58, ratifying five collective bargaining agreements and two compensation plans approved by the Legislative Coordinating Commission Subcommittee on Employee Relations. These contracts included a two percent across-the-board salary increase, step increases for eligible employees; and no changes in healthcare insurance premium percentages (0% single/15% family).



The contracts ratified under this bill will cost Minnesota taxpayers an additional \$30 million over the next six months and another \$250 million in the next two years.

Rochester Day at the Capitol – Great Success!!!



Area Veterans, meeting with Veterans
Affair Commissioner Larry Shellito



Visitors at the Capitol this week

Rochester students attending the UMN Day at the Capitol, from the left: Julie Risinger, Kelly Serena, Dom Pandey, and Kate Scheffler.

KEEP IN TOUCH

I will work to keep you informed, and please feel free to pass this newsletter on to your friends and neighbors, encouraging them subscribe.

As always, I encourage you to contact me with your questions and comments.



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