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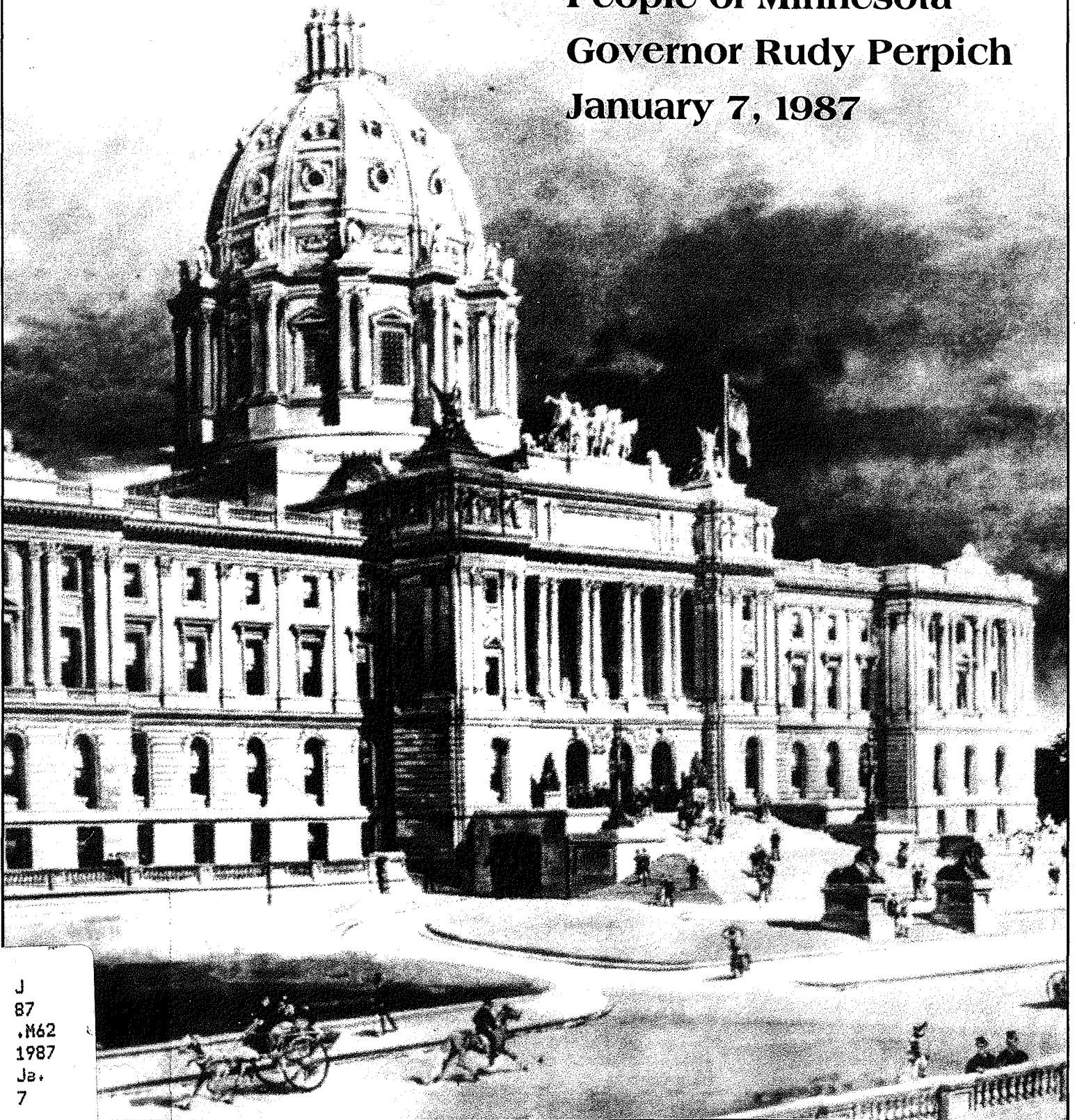
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State of the State

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A Report to the
People of Minnesota
Governor Rudy Perpich
January 7, 1987



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GOVERNOR RUDY PERPICH
STATE OF THE STATE MESSAGE
A REPORT TO THE PEOPLE
7.P.M. JANUARY 7, 1987

Mr. Speaker, Mr. President, Mr. Chief Justice, Members of the Court, Constitutional Officers, Members of the Legislature, former governors and my fellow Minnesotans.

I can report tonight that the state of our state is sound.

We have overcome major adversities, we are meeting remaining problems boldly, and we are placing Minnesota squarely on course for a stable and prosperous future.

Minnesota is a remarkable state. Minnesotans are exceptional people. And I am deeply grateful and honored for the opportunity to serve longer than any other governor in the history of this state.

The hurdles ahead are great. But the opportunities are even greater. And the special Minnesota spirit is poised for the challenges we face together.

Our objective in the next four years is to bring out the best in Minnesotans to ensure opportunity for our children.

The five-year-olds who enter kindergarten next fall will graduate from high school in the year 2000. We must be sure that all of them have quality job opportunities.

Our goal is to make Minnesota a model state, to make Minnesota the brainpower state, to make Minnesota a world renowned research center.

To meet these objectives, we must focus our efforts in three key areas.

We must have a tax system that is competitive, honest, fair and simple, an education system that is committed to excellence, and a climate of research that will yield the products, ideas and jobs of the future.

Our future extends beyond terms of public office.

We must use our terms of office to shape our vision for the Minnesota of the 21st century.

It was 24 years ago this week that I first took the oath of office as a state senator and began my service to the state of Minnesota. Only one other individual who was here then, still serves today -- Representative Willard Munger -- Mr. Environment.

Representative Munger and I know how long the debate on Minnesota's business climate has raged.

For more than a quarter of a century, we have heard that Minnesota taxes are too high, and that the Minnesota business climate is bad.

I remember well three years ago when I met with a group of Norwegian business executives in Oslo who spoke at some length in negative terms about our business climate, and the perception of Minnesota as a high-tax state has hampered our ability to attract and create more much-needed jobs.

When I took office as governor in 1983, Minnesotans paid more income taxes than citizens of almost every other state.

We took dramatic action over the past four years, including a 25 percent cut in our income taxes, the largest cut of any state in the union.

But more must be done. We must harness the momentum of federal tax reform to initiate a major overhaul of our entire tax system.

This year we will propose the most sweeping reform in the history of this state.

Our tax plan will be the fairest and most thoughtful of any state in the nation this year.

First we will respond to the new federal law by returning the entire state windfall to the taxpayers of Minnesota.

In addition, 125,000 Minnesota low income families will no longer have any state tax liability.

We will also streamline our tax forms.

Our short form will have only five lines. In fact, most people can do it in less than five minutes.

And our long form will be a single page.

Two-thirds of all taxpayers will be able to use the short form.

We will achieve a dramatic reduction in income tax rates.

When I took office in 1983, our top rate on the income tax was nearly 18 percent.

Under our new plan, we will cut that top rate by more than one-half to 8 percent, and we will also have a 6 percent rate for lower incomes.

Our personal income tax will be the fairest and most thoughtful of any state in the nation.

We will apply the same philosophy to our corporate tax.

I am particularly excited about our plan for property taxes and local government aids.

We will greatly simplify our system, which is now the most complicated in the nation.

We will reduce the number of property tax classifications from 68 to 6.

A key element of our program will be to increase the share of state funding for education, which is the cornerstone of our plan for the future.

I propose that the state assume a substantial share of school costs which are now paid for by property taxes.

Our property tax plan, like our income tax plan, will be the fairest and most thoughtful in the nation.

We will apply the same principles of fairness and thoughtfulness to sales tax reform, without taxing food, clothing, services or prescription drugs.

Overall our tax program has several themes: rate reduction, simplification, and fairness.

No longer will Minnesota tax rates be in the top ten in any major tax categories.

I want to repeat that no longer will Minnesota tax rates be in the top ten in any major tax categories.

We will create a better environment for job growth. And from this day forward we will focus all of our energy and ideas on making life better for those who need help most: our beleaguered farmers, our dislocated miners, and the jobless in our cities.

It is a long-standing and unique Minnesota tradition to form partnerships for the benefit of all.

Most recently...we saw this Minnesota spirit in a group of people who reached a remarkable consensus on reform of our schools.

The Governor's Discussion Group brought together people with diverse points of view, but a common goal of making education in Minnesota the best.

This group understood the importance of making Minnesota the brainpower state, and that brainpower is the wellspring of future economic growth.

We will draw from the group's recommendations to make our K-12 education system the best in this nation.

In higher education, we will continue progress toward making the University of Minnesota a world-class university, one of the top five universities in the nation.

In January 1985, we asked university officials to focus their mission, and they answered with an excellent plan.

The state, in turn, responded with increased funds for faculty salaries, research and financial aid for students.

It is critical that we continue to support the University's efforts as we did in 1985.

The state university system also has moved to clarify its role, and will become the major provider of undergraduate education.

Our state universities will increasingly become regional economic development centers in greater Minnesota, serving as catalysts for long-term economic growth and vitality.

Our community colleges and our AVTI system have more clearly defined their strengths through recent mission statements.

Graduating from a Minnesota AVTI has proven to be a sure-fire way to a job.

In the future, our AVTIs will play an increasingly important role in creating a better future for the working poor, for victims of major economic declines, and for many Minnesotans who seek training and retraining to provide for their families in the years to come.

The AVTIs in Minnesota are the best in the nation. I am very very proud of them, and I wish each and everyone of you would applaud that system.

Excellent education will pave the way out of adversity for the most dependent Minnesotans.

This will represent real welfare reform.

I am asking the 1987 Legislature to join with me in establishing a goal that I believe is vital to our future as a state.

By the year 2000, I propose that 50 percent of the workforce in Minnesota will have an education two years beyond high school, and that 35 percent will have completed at least four years of college.

Minnesota already has the best high school completion rate of any state, and I propose we set the same goal for higher education.

Our third key area of emphasis must be research, research which will provide the tools of the future and the jobs of tomorrow.

Research and development leading to job creation will offer the best hope for areas of our state which have been devastated by the changing economics of a nation and world.

The centerpiece of our research and development enterprise will be the Greater Minnesota Corporation, a public private organization that will spearhead the long-term economic recovery of rural Minnesota.

The Greater Minnesota Corporation will work hand-in-hand with colleges and universities throughout the state to translate research into business development and job creation.

Research will be the catalyst for economic diversification in the future as it has been in the past.

Taconite mining research conducted by Dr. Edward Davis over three decades at the University of Minnesota paved the way in the 1950s for a whole new industry for the Iron Range.

In the early 1900s, experiments in manufacturing sandpaper were conducted by a small company in Two Harbors, Minnesota.

This was the beginning of 3M, today a multinational corporation which makes more than forty thousand products and is our state's largest industrial employer.

3M's unrelenting commitment to research has spawned job opportunities throughout Minnesota and throughout the world.

Many new jobs have resulted from major medical advancements that occurred here in Minnesota.

Medtronic and its pacemaker--which has provided a new lease on life for people throughout the world --took shape in Earl Bakken's garage about forty years ago.

Advanced surgical techniques and devices to aid the hearing impaired are other examples of research-driven developments that have improved human life and have created new jobs.

Today, state government is in partnership with the University of Minnesota and private business interests to encourage more breakthroughs that will result in new jobs.

Together, we have established the Technology Corridor, the Supercomputer Institute and of course, the biotechnology center.

We have also invested in applied research efforts at Southwest State University to improve the economy of that region.

With all of our accomplishments in research and development, Minnesota must continue to invest in these activities or we will fall behind.

In the year 2000 Minnesotans will live in an economy rich with new ideas, new products and new jobs.

Minnesota will become a world-renowned research center.

Minnesotans have the abilities to meet these goals.

It has been proven time and again that prosperity does not depend on geographic size, location or climate. Nor does it rely on an abundance of energy fuels or other natural resources.

The key is people, our most important resource.

On opposite sides of the world, we have examples of two small nations, Finland and Japan, where people have made a difference.

Finland is similar to Minnesota in climate, its lack of energy resources and its distance from major economic hubs.

Yet this small nation has the 11th best per capita income in the world. It hasn't had a major economic recession since the end of World War II.

Japan is smaller in geographic size than four of our states, has half of the population of the United States, and virtually no petroleum, iron ore, coal or other mineral resources.

Nevertheless, Japan each year has trade surpluses in the billions of dollars, while the exports of much larger nations lag behind.

Minnesota is the only northern state from Pennsylvania to the west coast that experienced economic growth in the past four years.

Japan, Finland, and Minnesota all are places where industrious people made the difference.

So in closing tonight, I want to cite one illustration of the immense human resources of our state.

During the recent around-the-world flight of the Voyager, there were numerous references made to an earlier aviation feat.

Sixty years ago this May, Charles Lindbergh--whose character was forged in a small Minnesota town---stretched the horizons of human achievement in space, when his plane touched down in Paris after a 33-hour flight across the Atlantic.

Charles Lindbergh exemplified the loneliness of leadership, the daring of discovery, and best of the human spirit.

He called his plane "The Spirit of St. Louis," but his heart beat with the spirit of Minnesota.

Minnesotans have led journeys of discovery, journeys of learning, and journeys of love.

Minnesotans have proven to be thinkers, leaders, creators and doers.

Let us continue to think, to lead, to create, and to do.

Along with you, I love this state, and I love its people.

Tonight we stand, side by side, as a family on the threshold of the 21st century. We are challenged by those who have blazed the trail before us. This is the pioneering leadership which is the best of Minnesota.

Tonight, I have spoken of three priorities which will move Minnesota forward -- tax reform, education, and a major investment in research.

We must forge our own future.

Minnesota, the model state, Minnesota, the brainpower state, Minnesota, the world-renowned research center.

Minnesota will be ready for the challenge of the 21st century.

We are limited only by our skills, our determination, and our imagination.

Thank you and good night.

1986

THE YEAR IN REVIEW

January 1986

Governor Perpich says that he is confident that the expected revenue shortfall will be manageable without using up the entire \$450 million budget reserve.....House Speaker David Jennings, Senate Majority Leader Roger Moe and Governor Perpich agree that the Minnesota law suspending indexing if there is a projected budget shortfall must be repealed.....Governor Rudy Perpich meets with striking P-9 meatpackers and Hormel officials to help resolve the dispute.....Minnesota Poll indicates that more Minnesotans identify with the DFL party than the I-R party..... Governor Perpich announces his support for plans to turn the Giants Ridge ski area near Biwabik into a training facility for women Olympic athletes.....House Independent-Republicans announce a session agenda that includes a proposal to switch to a unicameral legislature.....Hormel plant re-opens despite the unresolved strike.....U.S. Energy Department proposes that three areas in Minnesota be studied as possible sites for an underground vault for nuclear wastes; Governor Perpich opposes the plan.....Governor Rudy Perpich calls out the National Guard to help keep peace in Austin.....Northwest Airlines agrees to purchase Republic, creating one Twin Cities-based airline that will be the nation's third-largest.....Perpich announces that his number one, two, and three priorities for the legislative session are helping the state's farmers.....Minnesota Public Utilities Commissioner Roger Hanson resigns.....

February 1986

1986 legislative session begins; the main goals are balancing the budget and helping rural communities.....The University of Minnesota reports that Minnesota farm land values fell 26 percent in the first six months of 1985, the greatest one-year drop since the monitoring began 75 years ago.....Hearings begin on the proposed nuclear waste sites.....Governor Rudy Perpich says that proposed education cuts might not occur if tax collections and economic indicators rebound.....A Northstar Poll indicates that the Governor could be vulnerable to a challenge from St. Paul Mayor George Latimer.....U.S. Department of Education reports that Minnesota led all states in the percentage of children graduating from high school.....Governor Perpich, Manitoba Premier Howard Pawley, and a representative of North Dakota Governor George Sinner sign an agreement to coordinate campaigns against nuclear waste storage areas.....Food-shelf use in Minnesota reached record highs in 1985.....Perpich calls the House budget-balancing bill "anti-the unemployed, anti-family, anti-rural Minnesota and anti-job".....A private study reveals that Minnesota could have a \$1 billion backlog in state highway repairs by 2000.....Governor Rudy Perpich touts his farm plan, which includes the Reinvest in Minnesota (RIM) program and the Greater Minnesota Corporation.....

March 1986

Governor Rudy Perpich vows to veto any House budget balancing bill that cuts Aid to Families with Dependent Children (AFDC) payments by 30 percent.....University of Minnesota study predicts that Minnesota's net farm income will dip slightly in 1986, rise sharply in 1987.....House Independent-Republicans block the lottery bill; Perpich suggests that they are "playing politics".....A House subcommittee recommends that Representative Randy Staten (DFL-Mpls.) be expelled for writing a series of bad checks, but House members vote to censure him.....The St. Paul Pioneer Press & Dispatch reports that the Department of Energy and Economic Development appears to have exaggerated its record of creating and saving jobs; Commissioner Mark Dayton says that the job figures were projections and will be corrected.....115 are jailed during a sit-in at the Hormel plant in Austin..... House Speaker David Jennings announces that he won't run for political office in 1986.....The House of Representatives adjourns after a marathon session with a conference committee still deadlocked on a budget bill to cover the projected \$734 million shortfall.....Attorney General Hubert H. Humphrey III says the adjournment may have been illegal.....Major proposals approved during the session include raising the legal drinking age to 21; a mega-mall financing plan to give Bloomington local and regional tax dollars; interstate banking; and a farm bill called the "strongest in the nation".....

April 1986

St. Paul Mayor George Latimer announces that he will challenge the Governor for the DFL party nomination in the September 9 primary.....Governor calls a special session for the Legislature to pass the budget; the package of spending cuts and revenue increases still requires that Perpich unilaterally reduce budgets by \$109.8 million, most of which is taken from state government.....David Jennings says that he is having second thoughts about retiring from political life and may consider running for governor.....Minnesota finance officials announce that state tax revenues are \$50.5 million ahead of projections for the first three months of 1986.....Governor Rudy Perpich names George Perpich as his campaign manager.....State Auditor Arne Carlson drops out of the governor's race and announces that he will run for a third term as auditor.....Minnesota farmers and their lenders use all \$5 million of the state interest buy-down funds in the first 10 days they are available; program shuts down.....A search committee names Roger Johnson, an international business consultant from San Francisco, president of the Minnesota World Trade Center.....David Jennings officially enters the governor's race.....Minneapolis businessman Curt Carlson announces that he is giving a \$25 million gift to the University of Minnesota.....The state tourism director says low gas prices could make this a good year for Minnesota's 1,300 resort owners.....The AFL-CIO's political action committee endorses Governor Rudy Perpich for re-election.....The Governor orders the Commerce Department to resume processing applications for the interest buy-down program, promising lenders that the state will come up with its part of the funds next year.....

May 1986

Governor Rudy Perpich and George Latimer are early leaders in election fund-raising.....Farm Credit Services complies with the Governor's request and continues making loans under the interest buy-down program.....Perpich wins enough delegate support to obtain a first-ballot endorsement at the June DFL convention.....

Minnesota Community College System enrollment reaches an all-time high and is expected to continue to grow.....International union of the United Food and Commercial Workers seizes control of P-9 for violating an order to end the strike against Hormel; the local later files suit against the parent union.....Perpich proclaims Memorial Day weekend "Zero Death Weekend" in an effort to encourage driver safety; President Reagan applauds the statewide campaign.....George Latimer says he will not make his income tax returns public.....Finance officials forecast a \$71 million surplus for the end of the budget period; I-Rs accuse the administration of purposely overestimating budget difficulties earlier in the year.....Wisconsin lawmakers raise the legal drinking age to 21.....Governor Perpich catches eight fish during the Governor's Fishing Opener on Lakes Bemidji and Irving.....A Minnesota Poll indicates that Governor Rudy Perpich's popularity has rebounded since the winter and David Jennings is favored for the I-R nomination.....The federal government "postpones indefinitely" its search for a second nuclear waste dump site in the eastern half of the United States.....A U.S. Senate subcommittee report indicates that rural counties and cities may soon be unable to support basic community services.....

June 1986

Cal Ludeman refuses Jennings' offer to be lieutenant governor on his ticket.....George Latimer advocates income tax cuts and a statewide reduction in property taxes by extending the sales tax to clothing and personal services.....DFL and I-R leaders form a bipartisan commission to investigate election and endorsement reforms.....Governor Perpich says that he won't debate Mayor George Latimer until Latimer discloses his tax returns.....7,000 farmers predicted to go through mediation before the end of the year.....St. Paul ranks first among 95 metro-area communities in property taxes levied against an \$80,000 home.....DFL convention endorses Rudy Perpich and Marlene Johnson for governor and lieutenant governor, Joan Grove for secretary of state, Hubert H. Humphrey III for attorney general, and John Dooley for state auditor.....Ruth Esala is elected into her first full term as DFL state party chair.....George Latimer names Arvonne Fraser, wife of Minneapolis Mayor Don Fraser, as his running mate.....Cal Ludeman wins the Independent-Republican endorsement.....State jobless rate drops to 5.4 percent, the lowest since September 1981.....Cal Ludeman asks Bloomington Mayor James Lindau to be "reasonable and rational" and drop out of the primary race.....First Minnesota Savings Bank announces plans to build a \$40 million office tower in downtown St. Paul.....Russell W. Fridley says he will resign as head of the Minnesota Historical Society.....

July 1986

Governor Rudy Perpich pledges that a National Guard training camp will not be built in any area where the local residents are opposed to it.....Minnesota ends the fiscal year with a \$701 million cash balance.....Former gubernatorial candidate Mike Menning throws his support behind Cal Ludeman.....University of Minnesota regents approve a program providing free tuition for struggling farmers and their families.....A Citizens League report criticizes the civil service system but says merit pay would improve the system.....Governor Perpich agrees to debate the winner of the Independent-Republican primary.....The Board of Regents at the University of Minnesota endorses tougher standards for admittance to the University.....Ray Glumack announces that he will retire at the end of the year as chair of the Airports Commission.....George Latimer officially unveils his state budget plan, which includes extending the sales tax to clothing and personal services.....Governor Rudy Perpich appoints a special commission to investigate the Williams Pipe Line disaster and the safety of pipelines in Minnesota.....Wisconsin Governor Anthony Earl and Governor Perpich take a houseboat trip on the Mississippi to examine a federal project designed to improve the Weaver Bottoms area just south of Alma, Wisconsin, and to discuss environmental issues of mutual concern.....LTV Corp., which owns two mines and part of a third mine in Minnesota, files for bankruptcy; Governor Perpich meets with LTV chief executive officer.....The Minnesota Pollution Control Agency approves an acid rain program called the "toughest in North America".....

August 1986

A Minnesota Poll indicates that Governor Perpich and Cal Ludeman lead the polls for the upcoming election.....U.S. Department of Transportation gives Northwest Airlines final clearance to purchase Republic Airlines.....Negotiations between USX Corp. and the United Steelworkers of America fail, beginning a strike of 1,250 Iron Range workers.....George Latimer reverses his stand and announces that he will release his income tax returns; Governor Perpich agrees to two debates.....The Minnesota Supreme Court rules that the Legislature violated the state constitution when it stripped State Treasurer Robert Mattson of his duties.....Governor Rudy Perpich dismisses Human Rights Commissioner Linda Johnson, citing improper travel expenses. Johnson's travel habits had been the subject of a recent WCCO-TV report.....U.S. Department of Agriculture reports that Minnesota lost 3,000 farms in 1985.....Governor Perpich and St. Paul Mayor George Latimer debate for the first time.....A state audit indicates that St. Paul Port Authority officials filed "questionable" expense account items.....The Governor appoints Jayne Khalifa as interim commissioner for the Department of Human Rights.....National Governors' Association ends its annual meeting with a call for keeping peacetime control of National Guard troops with the states.....Negotiators for Geo. A. Hormel and Co. and its meatpackers' union reach a tentative contract settlement restoring wages but leaving 800 Austin jobs in

limbo.....Endotronics Inc. begins to view sites near Hibbing for
a 250-acre manufacturing complex that could employ more than
5,000 people.....Governor Perpich acknowledges that the Minnesota
Air National Guard has been flying military cargo planes to
Central American countries, but said that the missions have not
involved combat.....

September 1986

Governor Rudy Perpich and Cal Ludeman win in the primaries by comfortable margins.....Perpich carries all but three of the state's 87 counties in the DFL primary.....George Latimer says that he will back Perpich in the governor's race.....State Treasurer Robert Mattson is the only state officeholder to lose in the primary.....University officials say they will ask the Legislature for a nearly 10 percent budget increase.....The nation's first new agricultural credit union in 30 years opens in Fulda, Minnesota.....Meatpackers ratify a contract that formally settles the labor dispute at the Hormel plant in Austin; the contract raises wages but does not restore jobs to the nearly 900 workers who remained on strike after the plant reopened.....The Governor says that he is confident about the gubernatorial race and will focus on helping DFL legislative candidates.....

Commissioner of Transportation Richard Braun resigns and accepts a job as executive director of a new University of Minnesota Transportation Studies Center.....Governor Rudy Perpich and Cal Ludeman meet in their first formal debate.....State unemployment drops to five percent, the lowest in four years.....A Ludeman-sponsored poll shows Rudy Perpich leading.....The Striving for Excellence in Performance (STEP) program, directed by the state Department of Administration, is recognized by the Ford Foundation as an exemplary new program in state government.....

October 1986

Governor Perpich urges the Air Force to drop plans to build an Over-the-Horizon Backscatter Radar System near Wheaton, Minnesota.....Twin Cities school officials announce plans to ask the Legislature to help fund the cost of desegregating schools.....3M officials say the company will donate up to \$3 million to the University of Minnesota.....Governor Rudy Perpich says that he will seek \$100,000 in emergency funds from the Legislative Advisory Commission to reduce fares for the Metro Mobility service.....State Treasurer Robert Mattson fails in court to overturn the results of the September primary in which he lost to party endorsee Michael McGrath.....The Minneapolis Star & Tribune reports that Minnesota's sentencing guidelines are avoided in almost half the cases.....Perpich releases a list of more than 300 companies that have received assistance from him or from state development programs in the last three years, either creating or retaining 29,000 jobs.....A Minnesota Poll shows Governor Perpich with a 64-to-31 percent lead over Cal Ludeman.....Governor Perpich urges President Reagan to sign the federal "superfund" bill to clean up hazardous waste dumps.....Two Minnesota conservationist clubs endorse the Governor, saying he has an excellent record on environmental issues.....Black Minnesotans are better educated and earn more than blacks do nationally, although they still lag behind white Minnesotans, census figures show.....The National Women's

Political Caucus says Perpich ranks seventh among the nation's governors in appointing women to cabinet posts.....Honeywell officials announce that the company will sell its operating interests in South Africa.....Labor and Industry Commissioner Steve Keefe says that workers' compensation payouts are down for the first time since 1972.....The Minneapolis Star & Tribune and the St. Paul Pioneer Press & Dispatch endorse Rudy Perpich for Governor.....National Multiple Sclerosis Society names Rudy Perpich "Governor of the Year" for improving conditions for handicapped people in Minnesota.....

November 1986

GOVERNOR RUDY PERPICH WINS RE-ELECTION: DEMOCRATS RECAPTURE THE HOUSE.....the Air Force announces that it will delay its decision on building a radar base near Wheaton until February.....Incumbents Joan Grove (secretary of state), Hubert H. Humphrey III (attorney general), and Arne Carlson (state auditor) all win re-election.....Commissioner of Energy and Economic Development Mark Dayton resigns.....Governor Perpich appoints David Speer, co-founder of Padilla and Speer public relations firm, as commissioner of DEED.....Voter turnout for the election was lowest ever recorded in Minnesota.....Governor Rudy Perpich announces that he will concentrate on job creation during his term while Chief of Staff Terry Montgomery and Lt. Gov. Marlene Johnson take on more management duties.....House Democrats name Rep. Fred Norton (DFL-St.Paul) House Speaker and Rep. Robert Vanasek (DFL-New Prague) majority leader.....Collin Peterson, DFL challenger for Arlan Stangeland's 7th District U.S. Congressional seat, says he will ask for a recount of the extremely close election which gave Stangeland the victory.....World Trade Center President Roger Johnson resigns.....Governor Perpich announces that he will shift the Minnesota Trade Office from the Department of Agriculture to the Department of Energy and Economic Development to consolidate Minnesota's trade promotion programs.....A District of Columbia

study rates the Minnesota tax system the most progressive in the nation.....Financial forecasts predict an \$813 million shortfall over the next two years.....Former U.S. Congressman Richard Nolan accepts the post of acting president of the Minnesota World Trade Center Board.....Governor Perpich re-shapes his cabinet: commissioner of the Department of Human Services Leonard Levine is appointed head of the Department of Transportation; Sandra Gardebring, chair of the Metropolitan Council, is appointed to Levine's position; Perpich names Steve Keefe, current head of the Department of Labor and Industry, as chair of the Metropolitan Council; Raymond Bohn, director of the state Public Service Department, will take Keefe's place; Tony Perpich is named as new director of the Public Service Department; Joseph Pavelich will replace William Walker as chair of the Waste Management Board.....Judge Gaylord Saetre of Moorehead challenges Minnesota's mandatory retirement law for judges.....Rep. Ben Omann (IR-St. Joseph) dies.....

December 1986

Minnesota Revenue Department officials say that the state will have a \$718.9 million windfall in the next biennium by conforming to new federal tax law provisions, but state leaders have promised no tax increases.....A survey indicates that Minnesota's hospital costs are lower than most.....Governor Perpich favors pay increases in 1989 for legislators, judges, and state constitutional officers.....Governor Rudy Perpich issues an executive order prohibiting the state from discriminating against employees who are homosexual or have AIDS.....State Compensation Council says some state officials' pay should be raised to help attract and keep qualified candidates.....Perpich becomes the governor with the longest time in office.....Unisys Corp. announces it will lay off 670 people and close its plant in Jackson, Minnesota.....Governor Rudy Perpich says that the Minnesota Unemployment Insurance Fund will probably end the year with a surplus.....Canterbury Downs reports a \$7.9 million loss for 1986 and asks for a tax break from the Legislature.....Board of Directors for Community Colleges recommends a merger of state vocational-technical schools and community colleges, saying it would make the best use of available educational resources.....Governor Perpich asks Attorney General Hubert H. Humphrey III to examine a new federal law which removes the right of governors to veto sending National

Guard troops outside the U.S., except in state emergencies.....A grand jury refuses to indict treasurer-elect Michael McGrath on charges of election law violations.....The Governor's Commission on Poverty proposes \$190 million in programs to help alleviate poverty in Minnesota.....