

Dear Friends,

It's time to focus on what's really important about the 2005 Legislative session—the final outcome.

The district's top priorities this session were to address the needs of health care, education, transportation and infrastructure improvements. This is addressed inside this report and broken down by each community. Please see the other side for the impact on Winona and Houston Counties.

It is an honor for me to represent the residents of District 31A. I look forward to visiting with many of you over the coming months. Please feel free to call me at my office at: (651) 296-8637, my home at: (507) 454-3282 or reach me by email at: rep.gene.pelowski@house.mn.



Representatives of Arc Southeastern Minnesota traveled to St. Paul to take part in the annual Arc Day at the Capitol. Rep. Pelowski supported the first cost of living adjustment in three years for long term care providers.

2005 CAPITOL REPORT



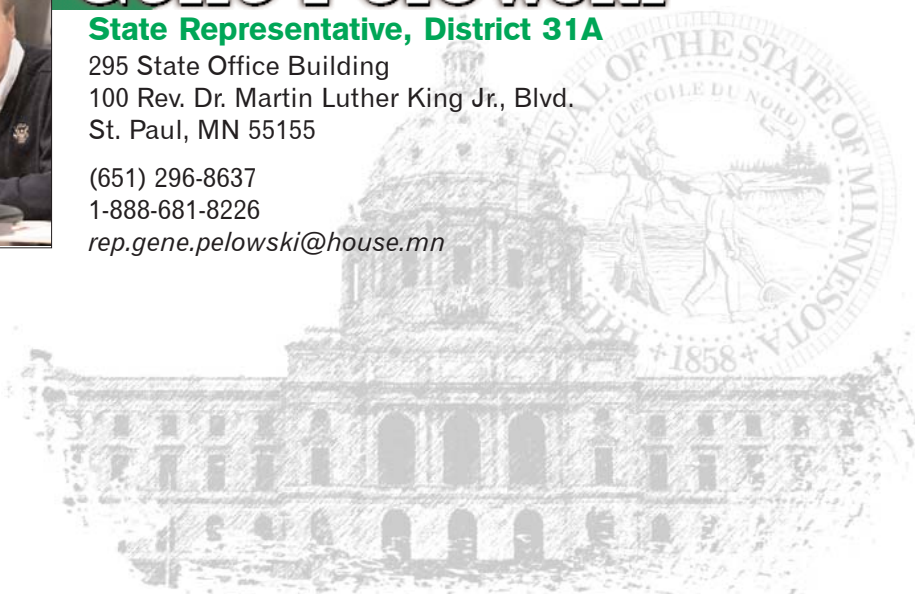
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Rep. Pelowski remains a strong advocate for education in Minnesota, working for increased funding and lower costs.



As a member of the Capital Investment Committee, Rep. Pelowski testified in support of legislation that would create thousands of new jobs in Minnesota.



AP American Government students from Winona High School visited the State Capitol during the 2005 session, thanks in part to Winona businessman, Tom Severson. These are also the students who were involved in "Model Legislature."

2005 Session Highlights

- \$95 million worth of work projects for our district from the bonding bill, creating new jobs and economic growth:
 - WSU Pasteur Hall - \$11.118 million;
 - Minnesota State College - SE Technical College Student Services/Nursing - \$3.802 million;
 - MnSCU Demolition Initiative - \$1.625 million (WSU will share in this);
 - Share in Port Development Fund - \$2 million.
- Largest K-12 funding in over two decades.
- 30,000 Minnesotans will keep their MnCare coverage.
- Removal of \$5,000 MnCare benefit cap.
- Cost of living adjustment for nursing home workers.
- \$48 million in Local Government Aid (LGA).
- First minimum wage increase in over 8 years.
- Tougher penalties for the worst sex offenders and meth abusers.

Additional School Funding for '06 and '07

Winona - \$3,115,574
Houston - \$565, 000
La Crescent-Hokah - \$1,336,041

Additional Local Government Aid in '06

Winona - \$587,187
Houston - \$33,842
La Crescent - \$94,450

What Didn't Get Done

Transportation Bill

One of the more disappointing developments of the session was Governor Pawlenty's veto of the bipartisan transportation bill. This veto added up to lost revenues of \$16.2 million for Winona County over the next ten years. Instead, they will receive only \$3.9 million.

Houston County would have seen its funding more than triple from \$3.4 million to \$12.4 million if the Governor had not vetoed the bill.

Cuts to hospitals

Once again, hospitals throughout the state will have their funding cut. The Governor's initial budget would have meant a \$700,000 loss of revenue for Winona Hospital. Fortunately, in the final budget that amount was reduced to \$122,000. The bad news is that while it may be smaller, it's still a cut. We need to find a better way to balance the state budget.

PACE Offers Improved Care for the Elderly

I was very pleased that a bill I authored improving care for the elderly was included in the final Health and Human Services Bill.

The new law allows Programs of All-inclusive Care for the Elderly (PACE) in Minnesota, and authorizes health care facilities to form teams to monitor the needs of their patients. This cooperative effort helps ensure that patients receive the full range of care necessary to remain in their homes instead of moving into a nursing home.

I commend the people at Winona State, Winona Health, Sauer Memorial Home and Saint Anne Extended Healthcare for their interest in this program.

